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Spadolini Takes Over As New Italian Premier

By Henry Tanner New York Times Service

ROME — Premier Giovanni Spadolini, secretary of the small Republican Party, was sworn in Sunday by President Sandro Pertini as the head of a 27-member coalition government.

Mr. Spadolini, in an interview, called this "the first secular government in the history of the republic" and said it was "a historic event because it established for the first time the practice of rotation between the secular and the Catholic forces in the country."

The Christian Democrats have headed the government since 1945.

Coexistence "Necessary"

"The coexistence between these two forces will be necessary for many years because the Christian Democrats remain the party that has the relative majority," Mr. Spadolini said.

He added that it was unlikely that the Communists would enter the government during the present five-year term of parliament, which will last until 1984 unless national elections are called.

Mr. Spadolini said that the decision of President Francois Mitterrand of France to include four Communists in his Socialist government had no bearing on Italy because "the political circumstances in the two countries were profoundly different."

By his comment on "Catholic forces," Mr. Spadolini meant the Christian Democrats, who often call themselves a Catholic party and whose leaders have entertained close personal and political links with the Italy's Catholic Church and the Vatican.

The secular parties, or what Italians call the "lay parties," are the Socialists, Social Democrats, Liberals and Republicans. Of the center and moderate left, in spite of ideological differences, these parties share a tradition of sometimes militant opposition to church influence in the country's political affairs.

Mr. Spadolini, as a professor of

history at the University of Florence, wrote several scholarly works on church-state relations and is recognized as an authority on the subject.

The Christian Democrats, being by far the largest party in parliament, retained 15 posts in the new Cabinet. The Socialists have seven, the Liberals and Republicans one each.

Among the key ministries, the Christian Democrats retained foreign affairs, interior, justice and the treasury. The Socialists obtained defense and finances, and the Republicans were given budget and economic planning, combined in a single ministry.

The difficult negotiations on the composition of the government delayed its formation by one day. The Christian Democrats had held out for 15 ministries and in the end their claim was satisfied.

The negotiations were complicated by a fight within the Christian Democrats between the party's present hard-line anti-Communist leadership headed by Franco Piccoli and a more moderate wing of party leaders. After personal intervention by President Pertini, who under the constitution has the right to endorse prospective Cabinet ministers, two moderates were moved into key positions — Beniamino Andreatta to the treasury post and Guido Bodrato to education.

Moderates Succeeded

This relative success of moderates within the Christian Democrats is significant because Mr. Spadolini wanted a Cabinet that would enable him to establish better relations with the Communists than had existed under the government of his predecessor, Arnaldo Forlani.

Mr. Spadolini has gone on record as saying he wants to cooperate with the Communists, even though he is opposed to their participation in the government in the foreseeable future.

The new government's priority

will be the fight against inflation and the implementation of a comprehensive economic program balancing prices and wages. Mr. Spadolini said he was seeking a "social pact" between labor and management.

He said that the smallness of his own party, which has only 16 of the 630 seats in parliament, was not a weakness but might actually strengthen his hand. Since he is not part of any one of the big rival power blocs, he may be in a better position to conduct negotiations among them, he said.

"Damaged Social Fabric"

"President Pertini chose the leader of a minority party for the express purpose of trying to restore the damaged social fabric of the country," he said.

One of his first acts after the swearing-in ceremony was to meet with the labor unions. "It is the first time that a new government has held such a meeting on the day of its birth," he said.

By becoming premier, Mr. Spadolini succeeded where Ugo La Malfa, the late founder of the Republican Party, had failed in early 1979. At that time the Christian Democrats refused to give up the leadership post.

The difference, Mr. Spadolini explained, was that in 1979 the Christian Democrats felt certain they would win if a new national election were held and they accepted the risk of dissolution of parliament by vetoing Mr. La Malfa. This time, he said, both the Christian Democrats and the Communists were afraid of new elections and did not want to prolong the government crisis.

The threat that President Pertini may decide to dissolve parliament and call new elections if the big parties make it impossible for Mr. Spadolini to govern was seen as one of the new premier's strongest cards.

Mr. Spadolini, 56, a bachelor, was editor of Corriere Della Sera, the Milan daily, before he entered politics a few years ago.



Premier Giovanni Spadolini leaving a Rome meeting Sunday at which he presented his list of Cabinet ministers to President Sandro Pertini. Five parties make up the governing coalition.

OAU Asks UN Aid to End War In Sahara

NAIROBI — African states have agreed to ask the United Nations for a peacekeeping force to help end the five-year desert war between Morocco and Algerian-backed Polisario guerrillas in the Western Sahara.

As the four-day summit of the Organization of African Unity drew to a close, delegates of its 50 member states also agreed on Saturday to send an African force to maintain peace in Chad, Chad's president, Goukouni Oueddei, said he would ask Libyan forces to leave his country as soon as the peacekeeping troops were in place.

The United States was condemned four times by name during the meeting for alleged cooperation with the white-minority government in South Africa. The OAU also criticized Britain and France for allegedly siding with South Africa.

The organization repeated its calls for the independence of South-West Africa (Namibia), which is ruled by South Africa in defiance of UN appeals for a withdrawal. It reiterated support for a UN plan for elections there and the subsequent writing of a constitution. Delegates also called for mandatory sanctions, including an oil embargo, against South Africa and proclaimed their support for the guerrilla war conducted by black nationalists in the territory.

Libya won a victory in the final minutes of the meeting when the heads of state voted to hold next year's OAU session in Tripoli, the Libyan capital. Several countries, led by Nigeria, had protested against holding the next meeting there because of the Libyan presence in Chad.

Peter Onyiah of Nigeria, the assistant secretary-general of the OAU, said the United Nations would be asked to send a peacekeeping force to supervise a cease-fire and referendum in the Western Sahara. Mr. Onyiah said an OAU peacekeeping force also would be sent.

The resolution marked the first time the OAU had requested help from the UN to end the Western Sahara war.

UN troops were last in Africa in 1960 — three years before the OAU was founded — when a UN force went into the Congo, now called Zaire, at the request of Patrice Lumumba, then the president.

Morocco's Annexation

Morocco has annexed the mineral-rich Western Sahara, a former Spanish colony, in several stages since 1975. King Hassan II proposed to the OAU on Friday that a "controlled referendum" be held by the territory's estimated 100,000 inhabitants.

A seven-nation committee, formed by the heads of state, is to meet before the end of August to draw up plans for the cease-fire and referendum in collaboration with Morocco, the Polisario Front and Algeria.

In the developments concerning Chad, sources said OAU delegates had promised to help reconstruct the nation's economy.

The Libyan leader, Col. Moammar Qadhafi, sent thousands of troops to Chad last year to help Mr. Goukouni defeat the rebel (Continued on Page 2, Col. 7)

Gromyko Plans Visit To Poland in July

From Agency Dispatches

WARSAW — Soviet Foreign Minister Andrei A. Gromyko will visit Poland just before the emergency congress of the Polish Communist Party scheduled for July 14, Warsaw radio reported Sunday.

The report gave no reason for the visit. Western analysts in Moscow speculated it might be aimed at encouraging Polish hard-liners to assert themselves during the congress, which is expected to confirm economic and political reforms.

"He's likely to go there and lay down the line as to what is acceptable to the Kremlin," a Western diplomat in Moscow said. "He may be carrying new threats with him."

The announcement came hours after Tadeusz Grabski, a key hard-line member of the Polish Politburo, was elected as a delegate to the congress from his home base in Konin, western Poland, according to Polish media.

Some Western analysts believe the Kremlin will intervene militarily in Poland before the congress to stop the Poles from instituting reforms that Moscow believes are inconsistent with Marxist-Leninist dogma. Others have said that what happens at the congress could determine the Kremlin's course of action.

Mr. Gromyko's planned visit will be the first by a top-ranking Soviet official since Mikhail Suslov, the Kremlin's chief ideologist, met Polish leaders in late April. Mr. Gromyko is not considered a fierce ideologist like Mr. Suslov, but rather a supporter of the status quo and an expert on the West.

'Provocation' Expected

Of three key hard-line members of the Polish Politburo — Mr. Grabski, Andrzej Zabinski and Stefan Olaszowski — only Mr. Olaszowski had yet to win a mandate to the congress. But he was expected to win election at the Warsaw party conference Sunday.

On Saturday, Lech Walesa, the leader of Solidarity, warned his union's 10 million members to expect a major "provocation" in the days preceding the congress.

In a surprise appearance at a meeting of Solidarity's Warsaw branch, Mr. Walesa told delegates representing 900,000 regional union members to be on guard and not to respond to provocations designed to discredit the labor movement.

"There may be one other very serious provocation before the party congress. We don't know what. We must be on our guard. We must be very careful. We won't be taken in, and watch out — don't be drawn into fights," he said.

Change Criticized

The Soviet Union has criticized a sweeping change in party leaders on the local level, saying that many experienced and faithful party authorities were being replaced by inexperienced activists.

Party sources estimate that as many as 80 percent of the delegates to the July congress will be newcomers to the party's leading ranks. This group will evaluate and elect party officials.

In a speech to party members in Konin, Mr. Grabski said that the party was "winning over shortcomings of ideological carelessness and surviving a drama of crisis and distrust."

Party officials have blamed many of Poland's problems on "deformations" and "degeneration" of party policy under past leaders.

Uprising Commemorated

POZNAN, Poland (Reuters) — Government, church and union leaders were among 150,000 Poles who gathered here Sunday for the first official commemoration of



Thousands of Labor Party supporters attended a Tel Aviv rally.

Labor Party Seeking Big Margin in Israel Says Substantial Victory Needed To Dislodge Begin's Coalition

By David K. Shipler

New York Times Service

JERUSALEM — Strategists of Israel's opposition Labor Party said Sunday that they could not prevent Prime Minister Menachem Begin from forming the next government unless Tuesday's election gives their party a substantial victory — at least seven or eight parliamentary seats more than Mr. Begin's Likud bloc.

Close results, even with a slim victory by the Labor Party, would enable Mr. Begin to assemble a majority in a coalition with rightist and religious parties, they said.

This would make possible, for the first time in Israel's history, a government led by a party that did not have a plurality. No party has ever won a majority of the 120 seats; every government has been a coalition.

The assessment came as the Labor Party, which has run a confused and defensive campaign, orchestrated a strong ending to its race and began to reverse its downward trend in the public-opinion surveys.

Even in Survey

Apparently in reaction to violence against Labor supporters, those surveyed by the Mod'In Ezrahi Applied Research Center expressed stronger support of Labor last week than in mid-June. The results, published Sunday in the Jerusalem Post, showed Labor and Likud tied at 42 seats each, compared with a rating of 49 for Likud and 37 for Labor in a survey completed June 15 to 18.

The latest survey, conducted last week among a representative sample of 1,238 adults, was done before two developments that were

believed to have been a slight help to Labor: a televised debate in which Mr. Begin was seen as having performed somewhat less well than Labor's candidate for prime minister, Shimon Peres, and Labor's switch of its candidate for defense minister, dropping the dovish retired general, Haim Bar-Lev, in favor of former Prime Minister Yitzhak Rabin, a more popular hard-liner.

Mr. Rabin's personal feud with Mr. Peres had a debilitating effect on the campaign. Likud flooded its advertisements with quotations from Mr. Rabin's memoirs, published in October, 1979, attacking Mr. Peres bitterly and portraying him as unscrupulous and untrustworthy.

The Peres-Rabin tension, plus friction along other factional lines inside the party, drew the leadership into extended struggles over formulating a slate of candidates and delayed the start of the effective campaign well into May.

By then, Mr. Begin, who was considered politically vulnerable on key issues, had taken command of events, adopting a tough position over the deployment of Syrian anti-aircraft missiles in Lebanon and using governmental power to ease the impact of high inflation by reducing prices on luxury goods.

There was no vigorous response by Mr. Peres, who is less flamboyant, more inclined to seek consensus and less able to control his party than Mr. Begin. Some Labor Party activists conceded their distress over what they saw as a lackluster performance by Mr. Peres and a failure to keep attention focused on the perceived weak (Continued on Page 2, Col. 3)

Iranian Party's Headquarters Bombed

Reuters

TEHRAN — The Tehran headquarters of the clergy-led Islamic Republican Party (IRP), which dominates most of Iran's post-revolutionary establishment, was blown up Sunday night in an explosion that rocked the capital. Initial reports said that many people were killed and injured.

Scores of ambulances surrounded the building in south Tehran, and one medical attendant said: "Many people have been killed." A local hospital said several injured persons had been brought in. Another said it was on full alert.

Reuter Correspondent

A Reuter correspondent at the scene said the two-story building looked badly damaged. But he said it was difficult to assess the full extent of the destruction because of the partial wartime blackout.

A second, smaller explosion damaged the offices of Swissair but it appeared unrelated to the blast at the IRP headquarters.

The blast came after the wounding by a time bomb on Saturday of Seyyed Ali Khamene'i, a leading cleric and a founding member of the IRP.

After the Sunday night explosion, armed members of the Revolutionary Guard, police and thousands of onlookers surrounded the IRP headquarters.

Some foreign correspondents were jostled and pushed away by distraught bystanders and driven to safety by local officials. The correspondents could see only that the upper part of the building was

damaged, but the police at the scene described the damage as serious.

The other explosion occurred at the offices of Swissair on and shattered the front windows. The Swissair local manager said that it appeared to have been caused by a grenade thrown from the street.

A telephone caller told Reuters that the explosion at Swissair was the responsibility of the "June 9 Organization" and said the group, which has not surfaced previously, would pursue operations against the Swiss government all over the world.

The caller did not say why, but a Swiss diplomat said that the attack may have been in retaliation for the arrest in Switzerland of an Armenian accused of trying to kill a Turkish diplomat.

No one claimed responsibility for the attack on Mr. Khamene'i, which wounded the cleric in the neck and a lung.

Mr. Khamene'i holds the government license for the Islamic party's daily newspaper, Islamic Republic, and is also the leader of Friday prayer services in Tehran.

Tension has been high in the capital since the dismissal last Monday of President Abolhassan Bani-Sadr, who fought a 17-month power struggle with the IRP.

Mr. Khamene'i, whose title is *hoyatollah* (spiritual leader), had strongly denounced Mr. Bani-Sadr in a speech on Saturday before noon prayers at the Abotuzar Mosque in southwest Tehran, the state radio said.

U.S. Delays Shift of Paris Envoy to Moscow

By Ronald Koven

Washington Post Service

PARIS — The U.S. government has decided to delay the planned transfer of Ambassador Arthur A. Hartman to Moscow, according to authoritative sources here, following the naming of four Communist ministers to the French Cabinet.

The sources said that Mr. Hartman, a career diplomat who has been here since June, 1977, would remain in Paris for up to six months because the Reagan administration has recognized the need to have an ambassador who is familiar with the French scene.

The expectation is that the Moscow post will be kept open for Mr. Hartman. Letting the ambassadorship go unfilled for a relatively long period, the sources said, also sends the Soviet Union the message that as far as the Reagan administration is concerned, the Russians are not behaving well enough for Washington to have much to say to them.

Sound and Fury

The news about Ambassador Hartman comes amid accusations in France that the United States is making in French affairs and trying to dictate its will to President Francois Mitterrand. Cited as evidence are official U.S. statements that having Communists in the French Cabinet for the first time since 1947 will inevitably alter the "tone and content" of French-U.S. relations.

The State Department comment has created a kind of "sacred union" around Mr. Mitterrand. For example, Pierre Messier, a widely respected Gaullist who has served as prime minister and defense minister, called the State Department text "totally unacceptable," a phrase that was repeated by Foreign Minister Claude Cheysson.

"As a Gaullist," said Mr. Messier, a leader of the opposition in the National Assembly, "I cannot accept the commentaries of any foreign country on the composition of a government in France."

Mr. Cheysson complained that the U.S. action had given "our Soviet friends" a chance to depict themselves, by objecting, as "the defenders of noninterference in the freedom of expression of peoples." He suggested that someone in the Kremlin should send a thank-you note to Washington for its services.

Mr. Mitterrand himself reacted angrily late Friday while speaking



Arthur A. Hartman

to reporters who accompanied him in his old parliamentary district on a pilgrimage to the graves of villagers massacred by the Nazis.

"The American reaction is their business," he said. "The decision is mine. The more the decisions of France are free, the more France will be respected."

He said he would not be any more concerned about foreign reaction in the future than he was in this case. "People have written that Reagan is angry. So what? If Reagan sneezes, so what? I'm not going to stand at attention," Mr. Mitterrand continued.

France and the United States, he said, have common interests that are not at the mercy of passing events. "The Americans are far away, and they don't understand our developments," he added. "All this is a momentary mood."

He said he understood "very well" U.S. concerns about the spread of Communist respectability in Western Europe. "But I'd like for them to understand me as well as I understand them," he added.

"It is obvious," Mr. Mitterrand continued, "that the Communist Party has goals that are different from mine, but the Communist ministers are not there to carry out their party's goals. I don't want to surrender to speculators. Those who voted for me are Frenchmen like the rest. Most I give in to historical antagonisms? ... I want to make history by moving forward."

The French press has been reacting even more angrily than the government to U.S. statements. The pro-Socialist newspaper Liberation headlined, "Mitterrand to Reagan: Do You Know Whom You're Talking To?"

"France is not an American pro-

jectorate," said the Communist paper, L'Humanite. The conservative Le Figaro said, "Mr. Reagan will lose his way if he confuses France with El Salvador or the Dominican Republic." Decriing Washington's "open intervention," Le Figaro said the worry over Communist ministers is small next to concern over maintaining the international balance of power.

Among the Authors

Informed U.S. sources insisted that there is no intention to cut France out of Atlantic alliance discussions. They said the State Department communiqué was basically rhetorical and added that any anger Mr. Hartman expressed over its release while Vice President Bush was in France talking to the government had been related solely to the timing of the communiqué, not its content. In fact, they said, Mr. Hartman had an important hand in drafting the statement.

Discussing Mr. Hartman's remaining here, the sources explained that a decision had been made to designate a prominent businessman as U.S. ambassador to France but that this plan had been abandoned, or at least postponed, after developments here.

Mr. Hartman is the only foreign ambassador who has had a long session alone with Mr. Mitterrand before the runoff of the parliamentary elections confirmed the Socialist Party's absolute majority and before the Communist ministers were named.

Mr. Hartman was identified with the previous government of President Valéry Giscard d'Estaing, and his embassy is known to have badly misjudged the French election prospects.

Haig Still Concerned on French Cabinet

By Fred Farris

International Herald Tribune

WASHINGTON — Secretary of State Alexander M. Haig Jr. on Sunday underscored the U.S. concern at the appointment of four Communists to the French Cabinet, saying "we make no excuses or no bones" about it.

Although Mr. Haig said it was important that "we also recognize that this is an internal French matter and it's up to the French people to decide the composition of their government," he said that it had been "the consistent policy" of the U.S. government since World War II to voice its concern about Communism in allied Western governments.

"We make no excuses or no bones about our concern. Why? It's simply a fact of life that Communist regimes, whether they are closely affiliated with Moscow or not, pursue policies which are not consistent with those of the Western family of nations," Mr. Haig said in television interview.

Asked what good it did to make

public U.S. unhappiness, Mr. Haig replied, "It does a great deal of good. You will recall it in the Italian situation some two or three years ago, and it is very important for that reason that all of our Western European partners faced with the same decisions [as France] know that these decisions are not favorably viewed here in Washington."

There had been some apparent difference of emphasis last week in the U.S. view of the French action. But Mr. Haig emphasized that there was no difference of opinion in Washington, and that every statement "was cleared and discussed with the president personally."

On another topic, Mr. Haig, responding to sharp Soviet criticism, said the United States could not permit the Soviet Union to dictate Washington's relationship with China.

"The problem of China must be dealt with in its own terms," he said. "I do not believe it would be advisable for the United States to conduct its relationships with a bil-

lateral people under the specter of a Soviet veto."

Mr. Haig, who returned Friday from talks in Peking, where a U.S. agreement to sell military equipment to China was announced, said he hoped the Russians would not consider the developing U.S.-Peking relations "provocative."

He also made these points: • The United States will continue to meet its obligations to Taiwan, including providing arms for defensive purposes, while it improves relations with China.

• The administration is considering the possibility of talks aimed at reducing the growth of strategic armaments with the Soviet Union sometime next year.

• The administration is yielding to requests from a majority of the Senate to delay further the submission of the proposed Saudi arms package, which includes five of the sophisticated radar planes known as AWACS (Airborne Warning and Control System). It had planned to send the package to Congress in July after an earlier postponement.

INSIDE

China-India Talks

After three days of talks in New Delhi, India and China pledge to try to normalize their long-strained relations and agree to negotiate an early end to their 20-year border dispute. Page 5.

Budget Victory

The House of Representatives, after a tumultuous debate, gives President Reagan his second successive victory on his economic program by adopting a Republican package of far-reaching budget cuts opposed by the Democratic leadership. Page 3.

Focus on Greece

As national elections approach in Greece, the IHT presents a special supplement on the country. Page 75.



WORLD NEWS BRIEFS

70 Reported Dead in Soviet Georgian Wreck

MOSCOW — Seventy persons were killed and more than 100 injured in a train crash near a Black Sea resort in Soviet Georgia, a report reaching Moscow said Sunday. This was no official confirmation. The collision, between an express and a local train last week, blocked the main line between the Georgian capital of Tbilisi and the north, travelers said. Their reports said railroad traffic was stopped for several hours at the crash site near Gagra, a Black Sea coastal resort popular with summer vacationers.

Sentencing Tuesday in 9 Nazi Guards' Trial

DUESSELDORF — Nine former concentration-camp guards accused in the murder of more than 100,000 prisoners during World War II are scheduled for sentencing Tuesday as West Germany's longest war crimes trial nears a close. The trial began Nov. 26, 1975. The prosecution seeks life prison terms for five defendants, lesser terms for three and acquittal for one defendant. Defense attorneys have asked acquittal for all nine former guards at the Majdanek concentration camp in Poland. Anticipating the one acquittal at least, authorities have ordered strict security around the courtroom to contain protests. Anti-Nazi demonstrators raised an uproar in 1979 when four of the original 15 defendants were released for lack of evidence.

Brandt to Discuss Arms Talks in Moscow

BONN — Former Chancellor Willy Brandt said Sunday, on the eve of a visit to Moscow, that he would press West Germany's interests in East-West talks on curbing nuclear arms and tell Soviet leaders that he is sure the United States genuinely seeks arms negotiations. Mr. Brandt, who is going to Moscow on Monday as the guest of President Leonid I. Brezhnev, said in a radio interview that West Germany hoped it would be possible to create conditions that would make it unnecessary to station new U.S. missiles in Europe. He criticized U.S. disarmament negotiator Eugene V. Rostow's statement that the United States could not start talks on limiting intercontinental weapons before next spring. Mr. Brandt also said that he was not going to Moscow as a negotiator but with hopes to gain insight into how the Soviet Union views prospects for arms talks.

2 Irish Opposition Parties Bid for Coalition

DUBLIN — The Irish Republic's two main opposition parties, Fine Gael and Labor, have decided to seek power as a coalition when the Dail (parliament) meets on Tuesday to elect a new premier, party officials said Sunday. Commentators said the proposal, adopted by a Labor Party conference Sunday after 10 days of talks between the two parties, made it likely that the next premier would be Garret FitzGerald, the Fine Gael leader. Premier Charles Haughey, whose Fianna Fail party lost control of the Dail in the June 11 general election, plans to try to form a minority government backed by independents. In Belfast on Saturday, a gunman slipped past Royal Victoria Hospital guards into an intensive-care cardiac unit, fired several shots at a soldier on duty in the ward and escaped. Police said no one was hurt. The Irish National Liberation Army, a splinter group of the Irish Republican Army, claimed responsibility.

Pope's Taped Message Broadcast at Vatican

VATICAN CITY — Pope John Paul II spoke of his illness Sunday in a taped message beamed by Vatican Radio over loudspeakers in St. Peter's Square. He thanked those who have offered support "in consideration of my weakness." Sounding stronger than in a similar broadcast a week ago, the pontiff issued an appeal for peace in Lebanon. The eight-minute talk included greetings in Polish to the pope's countrymen. The message was taped at the pope's room in the Gemelli hospital, where he is suffering from a virus that has slowed his recovery from gunshot wounds received in an attempt on his life on May 13. Doctors said Saturday it may be three weeks before the pope can be released again from the hospital.

OAU to Ask for UN Force To Help End Sahara War

(Continued from Page 1) leader, Hissic Habre, a former premier. The Libyans have remained in Chad, and Mr. Habre's guerrillas, backed by Sudan, are continuing raids in eastern Chad. The departure of the Libyans would remove one of the bitterest issues before the OAU. Moderate states have accused Col. Qadhafi of trying to annex Chad. No date was set for the arrival of the OAU units in Chad. But Mr. Goukouni said at a news conference that if the force reached Chad within a month or two, he would promptly ask the Libyans to leave and thank them for their help. The peacekeeping proposal is essentially the same as a previous OAU plan in Chad that did not get off the ground because of a lack of money. Libya moved in after OAU troops failed to arrive, and it caused anxiety among neighboring countries who suspected Col. Qadhafi of expansionist policies. The difference this time is that Nigeria has agreed to help finance the OAU troops. The Nigerian foreign minister, Ishaya Aduni, estimated the cost of a Chad peacekeeping mission at \$100 million or more, and he said Nigeria was prepared to contribute. Mr. Omu, the assistant secretary-general, said the 55 resolutions on continental and world issues had been approved at the meeting. They included a condemnation of Israel's raid against the Iraqi nuclear plant on June 7 and what the OAU said were Israel's expansionist policies. But the resolution did not specifically condemn Egypt for its peace agreement with Israel. Egypt is a member of the OAU. The meeting also approved formation of an OAU African defense force, a political security council to strengthen the body's decision-making powers and a commission to investigate boundary disputes.

Morocco-Mauritania Ties

JIDDA (Reuters) — Morocco and Mauritania decided Sunday to settle their differences over the Western Sahara issue and to resume diplomatic relations, the official Saudi Press Agency said. The agency gave no other details, but Arab diplomatic sources said the two sides had agreed on the broad outlines of a settlement. King Hassan II of Morocco and President Mohammed Khouna Ould Haidalla of Mauritania met at the Saudi resort city of At Ta'if shortly after arriving from the OAU summit. Mauritania broke off diplomatic relations with Morocco after accusing it of supporting a coup against Col. Haidalla's government in March. According to Western sources, there are about 500,000 Pentecostals in the Soviet Union, half of them registered with the Official Council for Religious Affairs and the other half practicing their religion illegally. About 30,000 have applied to emigrate to the West, but only a handful have been granted exit visas, the sources said.

Ban on Whaling Urged by Group

GLAND, Switzerland — The World Wildlife Fund has called for an immediate global ban on commercial whaling in an effort to save several species of the giant mammals from extinction. Citing the Soviet Union and Japan as the worst offenders, the group asserted that the International Whaling Commission was unable to enforce controls on whale hunting. "A handful of selfish nations are presently depriving the bulk of the world's countries and peoples of a valuable resource about which we know so little," a spokesman said. Although exact figures of whale populations are unavailable, the spokesman said the sperm, fin, sei and humpback whales are so rare that for one whale just to find another of its kind "is practically a miracle."

Boat Crew Dies in Sicily

MAZZARA DEL VALLO, Sicily — The entire crew of seven aboard the 47-ton Italian fishing boat Ben Fanti died when the vessel sank off Pantelleria Island, southwest of this port, authorities reported Saturday.



WORKERS' MEMORIAL — The 25th anniversary of the uprising in Poznan, Poland, was commemorated on Sunday with the unveiling of a unity monument. Details, Page 1.

Doctor Says Russians Hold Barely 10% of Afghanistan

By Raymond H. Anderson  
NEW YORK — Soviet occupation troops in Afghanistan control no more than 10 percent of the country and are limited mainly to search-and-destroy operations from isolated strongholds and outposts, according to a West European physician who has traveled widely through insurgent areas. The doctor, on a visit to the United States, said in an interview that a year and a half after their intervention in Afghanistan, the Soviet troops were resorting to trying to cut off food, medicine and other supplies to suppress resistance by the mujaheddin, or Islamic rebels, against Soviet troops and the Marxist government in Kabul. The Soviet intent, he said, is to force the Afghans, who are scattered across the barren country or living in virtually inaccessible mountain valleys, to resettle in cities or refugee centers where they can be more closely controlled. This strategy is meeting some success, leading to maintenance in some areas and subsequent resettlement, said the doctor, who asked that his identity and that of his West European medical organization not be divulged. "It is widely known by Afghans that we are there, and the Russians certainly know it, too, but they do not interfere," he said. "We must be careful, however, not to jeopardize our ability to move freely across the frontier."

300 Destroyed Tanks

The European medical group sent its first team of doctors into Afghanistan about a year ago and now has seven teams there, each consisting of a man and a woman. Another team is about to enter the country. The doctor said that the teams had counted 300 destroyed Soviet tanks in their travels and believed that the total was well over a thousand. The rebels strip the tanks and armored vehicles of guns and equipment for their own use. The fate of any Soviet crewmen taken alive is usually "summary execution," the doctor added. The tactics of the lightly armed rebels are innovative, he said. "They dig deep trenches across narrow mountain dirt roads and cover them. The lead tank falls in, blocking the road. The mujaheddin run to the other tanks and smear mud over the slits so the crews are blinded. Then they destroy the tanks with gasoline." The doctor said Soviet armored columns occasionally penetrated to isolated villages but seldom encountered any inhabitants, who flee into the mountains. He said the troops destroyed food supplies and buildings and then withdrew.

5 Hurt in Clash in Nuremberg

NUREMBERG — Youths at an "International Squatters' Festival" during the weekend vandalized local streets and fought with police. Five persons, two of them policemen, were injured in the fighting, according to police reports. More than 600 youths staged a demonstration after an outdoor concert Saturday night at the gathering of squatters from West Germany and other West European countries, police said. The Pentecostals reported that the refugees were losing heart. "They're beginning to lose hope after three years in one room," said the Rev. Ray Barnett, who organized the group. "They're asking the American people not to forget them in that embassy, which they call their embassy tomb." The North Americans carried a petition, signed by thousands of Britons, that they planned to deliver to the Soviet Embassy in London. Mr. Barnett said.

Siberian Pentecostals Begin 4th Year in Basement of U.S. Embassy in Moscow

MOSCOW — Seven Pentecostals from Siberia have begun their fourth year in refuge in the U.S. Embassy in Moscow, with no sign that the Soviet government will permit them to emigrate. "The situation remains stalemated," a U.S. diplomat said Friday. "The Soviets continue to insist that the Pentecostals return to Chernogorsk before their application for emigration will be reviewed." Chernogorsk is the remote Siberian home of the seven Pentecostants — Pyotr Vashchenko, 54; his wife, Augusta, 51; their daughters, Lidya, 28; Lyubov, 24; and Lilya, 21; and Maria Chmykalov, 68, and her son Timofei, 18. They pushed past Soviet police guards into the embassy compound on June 27, 1978, in a bid to emigrate to the West. Describing themselves as victims of religious persecution, the seven were granted "humanitarian refuge" in the embassy and have lived ever since in a one-room basement apartment.

Studying English

The Pentecostals spend much of their time studying English, praying, and working on handicrafts. They are also allowed to do odd jobs on the embassy grounds, including caring for embassy children and unloading trucks, and are permitted to take walks around the compound twice a day. Four Americans and five Canadians who arrived in London last week after being allowed to visit

Attacked Labor for Sabotaging Israel's Efforts to Persuade the World that its Position was Just

They've moved to the defensive on every single issue," a political professional said of Labor's leadership, "where they could have moved to the offensive." "I think there were many mistakes in our campaign at the outset," said Chaim Herzog, a former ambassador to the United Nations and head of Labor's information efforts. "But we regained our balance." Labor's last rally, on Saturday night in Tel Aviv, drew a crowd estimated by party officials at between 150,000 and 200,000 and included many kibbutz residents brought by bus. Mr. Peres, Mr. Rabin and Gen. Bar-Lev raised their hands in a three-way bandshaka, and the crowd roared approval. The turning point, Mr. Herzog said, came when Begin supporters started breaking up Labor rallies, hurling tomatoes and eggs and jeering speakers off the platform. Smash-up windows in party offices and vandalizing cars with pro-Labor bumper stickers. On Saturday night, according to the police, an office of the "Aryeh" thing but Likud" movement — an amalgam of Labor and leftist parties — was set on fire while a 17-year-old guard was asleep inside. He awoke and called the police. Bomb scares were reported Sunday at both Labor and Likud headquarters. "I think that the fear running out of the violence got the silent majority worked up," Mr. Herzog said. "We got people calling in reminding us of what happened in Europe. One lady said this reminded her of the Brownshirts, and we recorded her and put her on the air."

But whether the last-minute Labor gain will be enough for a secure victory is far from certain.

Aharon Harel, the party's campaign manager, said that Labor needed seven to 10 seats more than the Likud bloc. With less of a lead, it would probably be hard for Labor to find a majority among other smaller parties on the left, he explained. Mr. Herzog agreed with the assessment, as did other Labor advisers and independent political journalists. The calculation is based on the assumption that the National Religious Party, which has been part of every government, including 29 years in Labor-led coalitions, would prefer Likud as a partner. The party's main platform is to maintain orthodox observance, including a ban on public transportation on the Sabbath and religiously oriented social legislation. It has won 10 to 12 seats in the past, and is shown in the surveys as winning eight or nine seats. Under Likud, it has gained influence. Its chairman, Yosef Burg, the interior minister, has served as head of Israel's delegation in the negotiations with Egypt and the United States on self-administration for Palestinians on the West Bank of the Jordan River and in the Gaza Strip. The head of its more activist faction, Zevulun Hammer, has been education minister, something Labor officials say they will not allow. In addition, the National Religious Party has grown more hawkish, including elements that support continued Jewish settlement in the occupied West Bank.

Depth of Israel's Sephardic-Ashkenazi Split Revealed in 'Black-White' Tone of Election

By Don Schanche  
Los Angeles Times Service  
JERUSALEM — "I'm afraid this election boils down to a stand-off between the white intelligentsia and the blacks," said the European-born wife of a prominent member of this city's establishment. And a Moroccan-born Jewish taxi driver in Tel Aviv complained, "We are the niggers of Israel." Their remarks, seemingly more appropriate to South Africa than to a country widely perceived as homogeneous and idealistic, reflect long-standing ethnic divisions, which have emerged more sharply in the current Israeli election campaign than at any time in the young country's history, according to social scientists and other commentators here. The division — openly discussed in terms of white-vs.-black by

U.S. Plan to Arm China 'Dangerous,' Pravda Says

By John F. Burns  
New York Times Service  
MOSCOW — In its most authoritative comment yet on the U.S. decision to sell arms to China, Pravda described the move as "an escalation of reckless policy" that was "highly dangerous for the cause of peace." "The Soviet Union cannot remain indifferent to the new, dangerous turn in Sino-American relations, especially to the plans of supplying China with modern American weapons, military equipment and technology," the Soviet Communist Party newspaper said Friday. "These actions by Washington and Peking can only be assessed as hostile toward our country," the Pravda article said. "The Soviet Union will take such measures that will be dictated by the emerging situation. Nobody should doubt that the Soviet people, who have good nerves and powerful means of curbing aggression, will not yield to provocations and will be able to stand up for themselves, to defend the interests of their friends and allies." The article appeared at length on an inside page of Pravda devoted to foreign affairs, but its significance arose from the fact that it was attributed to "I. Alexandrov," a rarely used pseudonym that generally authenticates a commentary as reflecting authoritative Kremlin views. Previous reaction to U.S. Secretary of State Alexander M. Haig Jr.'s visit to Peking earlier this month had been mostly in the form of commentaries by Tass. The U.S. decision to sell lethal arms to China was announced during Mr. Haig's visit. The article dismissed the reservations expressed by U.S. officials, who have said that any actual arms sales to Peking will be assessed on

Labor Predicts Close Vote Would Not Dislodge Begin

(Continued from Page 1) points of the Begin government, particularly its handling of the economy. Labor's internal strife at times made it difficult for Mr. Peres to take clear positions, an adviser said. The party's policy committee, split within itself, reached compromises that appeared ambiguous. Thus, for example, a political adviser's recommendation that Labor criticize Mr. Begin for not removing the Syrian missiles from Lebanon was rejected in favor of an ambiguous stance favoring both negotiations and resoluteness, which gave Mr. Begin the latitude to play the issue to his advantage. When Israel bombed an Iraqi nuclear reactor June 7, Mr. Peres reportedly wanted to criticize Mr. Begin strongly, but the party's policy committee was understood to have voted him down, sensing that the raid was popular with the public. The result was an awkward position, in which Mr. Peres first praised the pilots, then questioned the timing of the raid, and finally suggested that diplomatic efforts might have been pursued with the new government of France, which was building the reactor. An impression of vacillation and uncertainty was created, and Mr. Begin

2 Escape U.S. Jet Crash

MANILA — A U.S. Navy F-14 jet fighter from the aircraft carrier Kitty Hawk crashed into the Indian Ocean, but its two crewmen ejected safely and were recovered unhurt, the Navy said Sunday. By contrast, the article used unusually strong language in assessing the prospective arms sales. It said that the Reagan administration hoped to channel China's "expansionism" against the Soviet Union, but predicted that the arms would be used against Peking's neighbors to the south and southeast, including Vietnam, Cambodia and Afghanistan, as well as against U.S. allies in the region.

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The Vashchenko family, five of the seven Pentecostals in refuge at the U.S. Embassy in Moscow, in a recent photograph.



# Reagan Wins House Budget Vote As Coalition Defeats Leadership

By Martin Tolchin  
New York Times Service

WASHINGTON — The House of Representatives, after a tumultuous debate, has given President Reagan his second successive victory on his economic program by adopting a Republican package of far-reaching spending cuts opposed by the Democratic leadership.

A coalition of Republicans and conservative Democrats again wrested control of the House from the Democratic leadership and prevailed in a 217-214 vote Friday night. A total of 28 Democrats supported the Republican package, while two Republicans voted with the Democrats. They were Reps. Claude Schneider of Rhode Island and Charles F. Dougherty of Pennsylvania.

The vote represented a historic turning point in the direction of government, whereby a conservative president and the most conservative Congress in 25 years have

repealed and modified much of the social legislation of Franklin D. Roosevelt's New Deal and Lyndon B. Johnson's Great Society.

The bill, which now goes to a Senate-House conference, is similar to the one adopted Thursday night by the Republican-controlled Senate and means that Mr. Reagan has now achieved the basic spending cuts that he sought. The question is whether the same coalition will also give him a victory on his tax package, which is scheduled to be considered by Congress in July.

"This was a tremendous victory, and I think you'll see more of the same, even beyond economic issues," said Rep. Delbert Latta, Republican of Ohio, a co-sponsor of the Republican package. "This isn't the end. Unless the Democratic Party wakes up and takes a turn to the right, there'll be a lot more of it."

The House speaker, Rep. Thomas P. O'Neill Jr., at least for the moment has lost effective control over the body. The Massachusetts

Democrat walked off the floor in silence Friday night, retreating to his office without stopping to answer questions.

The package of \$38.2 billion in spending cuts was \$600 million more than the \$37.6-billion package recommended by the Democratic-controlled House committee, but the administration contended that many of those committees' cuts were illusory, counterproductive and unnecessarily severe.

The Republican plan focused on changes in eligibility and benefits in social programs long supported by Democrats, including Social Security, food stamps, guaranteed student loans, child nutrition, Medicaid and cost-of-living increases for federal retirees.

The full impact of those curtailments on the growth of these social programs will be felt in future years, but Republicans estimated that those changes alone would bring savings of \$45 billion through fiscal 1984.

Mr. Reagan praised the action and said that adoption of the Republican measure was "absolutely essential in order to meet our spending targets next year and balance the budget by 1984."

New Restraints Needed

"There will be a need for additional spending restraints in the future," the president said. "But without this vote today, we would have faced more than \$20 billion in additional deficits over the next three years."

The Republicans also restored funds to the Export-Import Bank that were set for elimination under the Democratic package. Their plan also consolidated scores of specific, categorical programs into block grants whose priorities would be set by the states.

Rep. O'Neill had told reporters Friday morning, "We'll be spending everything we possibly have to defeat this package." He exhortated the 29 Democrats who voted Thursday for a parliamentary procedure that enabled the Republicans to present their bill as a single entity. "In decency, some of those fellows should resign from the Democratic caucus," the speaker said.

But although the executive committee of the Democratic Study Group met to consider expelling the defecting Democrats or stripping them of their committee seniority, the consensus was that the Democratic leadership was powerless to discipline the defectors.

"Secret" Passages

The hastily written Republican package, completed late Thursday night and not made available until Friday afternoon, contained some passages that were unknown to some senior Republican legislators.

Democrats sought to exploit what Rep. O'Neill called "the hidden agenda" of the Republican package, especially a provision that gave the Office of Management and Budget the power to define poverty — a key factor in the disbursement of federal anti-poverty funds.

"Let me disclose to you one or two sneaky provisions," Rep. James C. Wright Jr., Democrat of Texas, told the House. "Did any of you address, were any of you told, was any hint given any member of this House that this bill would grant to Mr. Stockman the power to determine the poverty levels, the power to demolish the programs so carefully constructed by the Congress?"

Republicans countered that their bill caused no change in the current power to define poverty that is vested in the Office of Management and Budget, headed by David A. Stockman.

# Moon Is Suspected in U.S. Of Immigration Violations

By Robert Pear  
New York Times Service

WASHINGTON — Immigration authorities say the Rev. Sun Myung Moon and many of his followers have apparently violated immigration rules by coming to the United States on visitor visas when they actually intended to stay.

A Justice Department official said Friday that the government would probably begin deportation proceedings this summer against Mr. Moon, the founder of the Unification Church, on the basis of an investigation suggesting that he and his wife had violated immigration rules.

In addition, the Immigration and Naturalization Service contends that many church members are in the country unlawfully because they have remained beyond their authorized periods of stay.

David Carliner, an immigration lawyer who represents Mr. Moon, said that the service had been investigating the Korean-born evangelist and other church members since the early 1970s. Mr. Carliner said that he thought the investigation had "petered out several years ago" and that he knew of no immediate plans for deportation proceedings.

In New York, Mose Dursi, the president of the church, issued a statement saying that reports about imminent deportation proceedings were "part of an orchestrated attempt to assassinate the character of Reverend Moon, discredit the church and defame its members."

The Justice Department official insisted on speaking anonymously because, he said, "eleventh-hour developments might persuade the government" to change its plans. Another official, David W. Crossland, general counsel for the immigration service, confirmed the existence of the investigation, but would not say whether deportation efforts were likely or unlikely.

Mr. Crossland said that Mr. Moon had become a permanent resident alien in 1973. Mr. Moon entered the United States on a visitor's visa in 1972, according to an FBI report, copies of which were released Friday by the church.

A congressional subcommittee that investigated Korean-American relations in 1977-78 said that Mr. Moon had apparently flouted immigration regulations "with impunity."

The subcommittee said that Mr. Moon had obtained his certificate



Rev. Sun Myung Moon

of permanent resident status on the basis of his wife's having established residence earlier. "She in turn achieved her status by being listed as an employee of the Korean Cultural and Freedom Foundation, which was controlled and used by the Moon organization," the report said.

The report said that the Moon organization exploited or ignored U.S. immigration laws so that church members could come to the United States, raise funds and "move large amounts of cash across international boundaries." The report alleged that these activities circumvented or violated currency restrictions.

If immigration service officials decide to move against Mr. Moon, the process will probably take a long time. After the initial proceeding before an immigration judge, Mr. Moon, like any other alien, could ask for review by the Board of Immigration Appeals, the U.S. Court of Appeals and the Supreme Court.

The immigration service has prevailed in the Court of Appeals in at least two cases where it took action against members of the church. The commissioner of immigration had argued that aliens brought to the United States for missionary training were being used instead to solicit funds for the church.

Mr. Carliner, who is the author of the American Civil Liberties Union handbook on the rights of aliens, said that the immigration service had a "political bias" against Unification Church members.

# Neighborhoods Balk at Moves to Shelter New York's Rising Number of Homeless

By Deirdre Carmody  
New York Times Service

NEW YORK — The problem of what to do about the increasing number of homeless and often mentally disturbed people who wander the New York City streets is reaching a crisis point as one community after another balks at the prospect of sheltering them, state and city officials say.

"If someone said to me what is the single greatest problem in New York City today, I would say there is no question, the homeless," said Sarah Connell, regional director of the state's Office of Mental Health.

A consent decree, stemming from a class-action suit filed in 1979 on behalf of the city's homeless men, is expected to be signed soon specifying that the city should provide shelter and board to each homeless person who applies for it. But many neighborhoods seem increasingly hostile to providing permanent or temporary shelters for the homeless, as some recent developments indicate.

The city, under court order to find more beds for homeless men, approached every community board in the city and could not find a neighborhood in any borough that was willing to accept a new 200-to-300-bed facility. The state has approved a plan for a new 450-bed shelter on the non-residential Wards Island in the East River.

A proposed assessment and referral center for former mental patients scheduled to be opened by the city in Manhattan has drawn vehement protests from residents of the immediate area.

People who live near the First Moravian Church at Lexington Avenue and East 30th Street in Manhattan asked the Board of Estimate not to renew a grant to the

church, which provides meals, counseling and other help to about 200 homeless people a day. On Thursday, the board voted to renew the grant despite the opposition of the local community board.

The Community Service Society of New York estimates that there are 36,000 homeless men and women in the city. What is of most concern is that the number seems to be increasing. No longer relegated to the Bowery and the shabby neighborhoods, the homeless are part of the fabric of the city.

"They are becoming the brunt of everybody's negative feelings, and they are presenting this society with one of its greatest challenges," said Mrs. Connell. "A society is judged by how it takes care of its least desirable people, and we are not doing a very good job of it."

The growth is attributed to the tightening of eligibility restrictions for welfare, the loss of more than 25,000 rooms because of the closing of single-room-occupancy hotels, and stricter standards for admission to state psychiatric hospitals.

Also raising the numbers is a new phenomenon noticed in shelters around the country: the presence of men in their 20s and 30s, whom Mrs. Connell called "a new generation of urban nomads."

"What we know about them comes from the impression of our staff at the centers," said Stanley Hoffman, director of research and evaluation in the New York City regional branch of the Office of Mental Health. "They are relatively well-educated, relatively well-functioning, well-traveled, middle-class dropouts, who have learned to maneuver the system and who move around."

An indication of how passionate neighborhood feelings can become

is a letter to Mayor Edward I. Koch from Gertrude Huston, secretary of Community Board 5, who lives a few doors from the First Moravian Church and has been canvassing the area with city officials in an attempt to find another site for the program in a less residential neighborhood.

"A Disaster Area"

"Since the program opened, this has been a disaster area," she wrote. "Our brownstone steps, doorways and vestibules have been invaded by derelicts and bag people — and their urine and their feces. Some of us have been physically attacked by the more violent of the church's clients." She said all this was "not only disgusting and dangerous to our adult population, but we have young children living here as well."

The state and the city have a long-standing argument about whether it is more desirable to have large shelters to house the homeless, or smaller residences within communities.

The state's position is that these men and women are frightened, vulnerable people to whom even the most minor occurrence can be seen as a threat, and that they are overwhelmed by large institutions.

The city says, in effect, that it is unrealistic to believe that enough community acceptance can be found throughout the city to meet the need for smaller shelters. Also, officials say, large shelters are more economically feasible.

There are now about a dozen privately sponsored shelters throughout the city. The total annual cost for shelter operations, which is shared by the city and the state, is \$11.3 million. Virtually everyone agrees that these shelters do not get to be enough for the numbers of homeless who need attention.



Billy Carter, left, chats with Roy Bertrand, an Illinois farmer who bought Mr. Carter's gas station and softball field in Plains, Ga. Mr. Bertrand bid \$55,000 for the property at auction.

# Billy Carter Auctions Off Property to Pay His Taxes

Washington Post Service

PLAINS, Ga. — The saga of a beleaguered Billy Carter ended here at a public auction when the brother of former President Jimmy Carter sold off property, including his gas station, to pay his taxes.

Also auctioned on Saturday were assorted lots, his ranch-style home and a softball field where he once pitched in a "Redneck Power" T-shirt against reporters and his brother.

Afterward, Mr. Carter, 44, saying he had earned enough money to settle accounts with the Internal Revenue Service and local bankers, said farewell to Plains. He is moving to Haleyville, Ala., 110 miles (175 kilometers) away, to seek a "clean break" and start a new life promoting homes for a large construction company.

"I won't miss Plains at all," he said, calling it "a sad day and a good day. Some people will be glad to see me go. Some I'll be glad to leave. The only people I hate to leave is my pastor and my mother." His mother, Lillian Carter, 82, is to undergo surgery Monday for a malignant lump in her breast.

Mr. Carter earned more than \$106,000 from the auction and the private sale to the city of a lot behind the station. It was enough, he said, to pay \$70,000 he owed the IRS from a 1978 tax debt and about \$30,000 to local bankers who had threatened to foreclose on his 7,700-square-foot home on 58 acres in nearby Buena Vista.

All he has left to settle is a \$220,000 loan from Libya. Senate investigators have concluded that the 1980 loan was an unsuccessful attempt by Libya to influence the Carter administration through Billy Carter.

Jimmy Carter, who attended the auction, said afterward, "I hate to see him go, but he has a fine position in Alabama."

Technology subcommittee. "There is no doubt that the budgets of these agencies are now in very severe jeopardy."

Gerald Jenks, staff director of the House Science and Technology Committee and the man who had responsibility for the action, acknowledged that the science budgets were cut for political reasons. "There is \$127 million in the National Science Foundation budget above the Reagan request," he said. "We wanted a chance to make an amendment to that."

Special Consideration

That kind of consideration is not possible when the budgets are included as part of a bigger bill.

Mr. Jenks said he was surprised that the "Democrats made such a big deal of it," and so was James Hedlund, Republican staff director of the House Budget Committee.

"We really didn't think about it very much, and frankly if we had known all the furor it would cause, we might not have done it," said Mr. Hedlund, who speculated that the whole budget package may have lost votes over the wrangle.

He said there were other slips during the week; on Wednesday, for example, the second half of the energy research budget was dropped because it looked too much like the first.

But Mr. Hedlund said the science budget maneuver, though intentional, was "innocent" of politics; it was simply that the Republicans did not want to clutter up the main budget-reconciliation package with bills that could and should be considered on their own, he said.

# Science Funds Cut From U.S. Budget

By Philip J. Hilts  
Washington Post Service

WASHINGTON — In the confusion on the House floor during Friday night's budget debate, a handwritten note was enacted into law that, for the time being at least, deletes the budget for the National Science Foundation (NSF) and research funds for three other federal agencies.

A few words scrawled at the top of a page in President Reagan's substitute budget proposal had congressmen arguing from the floor against an action that might inadvertently stop U.S.-funded scientific research.

The scrawled note, read aloud by the House clerk, called for striking a portion of the budget proposal to insert different material. What was deleted was NSF's budget, as well as the research budgets of the Department of Energy, the Environmental Protection Agency, the National Oceanic and Atmospheric Administration and the Federal Emergency Management Agency. The substitute material contained a revised budget only for the Department of Energy.

That left NSF and three research budgets as clippings on the floor. At first congressmen and agency officials were assured that the deletion was a mistake that would be corrected by a quick technical amendment, said Patricia Nicely, head of the congressional liaison office for the NSF.

But when no fix appeared, it became clear that while the deletion did inadvertently wipe out a couple of small-business programs, dropping the science agencies was no accident. It was a Republican maneuver to strip those budgets out of the large budget package.

The science budgets were not actually killed by the action Friday, but they now must come up as separate bills before the Congress. That makes them far more vulnerable than when they were safely tucked into the recesses of the big budget bill, especially in the budget-cutting mood that Congress has been in recently.

"Clearly, it's a way the minority can use to bring the full pressure to bear for the NSF bill they want," said Thomas Moss, staff director of a House Science and

Reagan Insider Out of Running For High Court

Washington Post Service

LOS ANGELES — A Reagan insider with judicial experience has withdrawn his name from consideration for the Supreme Court and a well-informed administration official said the White House "was looking hard" for a woman to fill the vacancy caused by the resignation of Justice Potter Stewart.

"I've made it clear I don't want to be considered for the high court," said William P. Clark, deputy secretary of state, who returned to Washington late last week after a two-week African trip.

He did not give a reason for his refusal but a White House official said Mr. Clark was "badly needed" in his current post, where he has been a buffer between Reagan aides and Secretary of State Alexander M. Haig Jr.

Mr. Clark served as Mr. Reagan's executive secretary when he was governor of California, was appointed by Mr. Reagan to a trial court and then was elected for another term to the same court.

An administration official said Friday that Elizabeth Hanford Dole, 44, a White House aide and the wife of Sen. Robert J. Dole, Republican from Kansas and the Finance Committee chairman, had emerged "high on the list" under consideration for the Stewart seat.

# Helms' Tactics Erode Senate's Clubbiness

By Francis X. Clines  
New York Times Service

WASHINGTON — The time-honored image of the U.S. Senate as a club where members preen one another with barbed rhetoric and genteel agreements may be fading, if the things being said about Sen. Jesse Helms, the North Carolina Republican, are any indication. Under pressure by the senator, who has made a career of pursuing relentlessly his own conservative agenda, the club may be evolving into a jungle where some of the Senate lions watch in beady-eyed anxiety for the stalker among them.

"With Jesse Helms, there's no more of the club," if it ever really existed — he's made the place Darwinian," Sen. Paul E. Tsongas, Democrat of Massachusetts, said earlier this year when Sen. Helms, a tall, back-slapping man, was warming to his role as a conservative zealot and strategist enjoying majority power in the new Reagan era.

Last week, fresh from a victory in tightening the law on federal payment for abortions of women on welfare, Sen. Helms was midwifing the birth of another of his legislative babies, a ban on Justice Department involvement in school-bussing suits.

"Meanness in Senate"

"Since Jesse Helms started his warfare against those who disagree with him, there's a meanness in the Senate now that I don't think has been since the days of Joe McCarthy," said Sen. Alan Cranston of California, the assistant Democratic leader. "Helms' tactics make him a kind of time bomb for Reagan. I think, the way McCarthy was for Eisenhower."

The mere utterance of such criticism bespeaks an erosion in the Senate's clubbiness, even if Sen. Helms' contrary view — that he is just a dedicated warrior finally winning a few battles and alarming the opposition in the process — is allowed.

And Sen. Helms responds, "I'm just a passenger on the train," referring to the Reagan juggernaut. But he may occasionally nudge the throttle, too, for he speaks to President Reagan every week, he says, and some of his tactics in opposing administration nominees in the name of fidelity to what he says are Mr. Reagan's true views have perplexed White House aides.

Sen. Helms' actions in his new role as chairman of the Agriculture Committee illustrate his special stresses ideological purity at the expense of compromise victories. Some of Sen. Helms' more extreme positions have served the president well, leaving Democrats more willing to retreat to Mr. Reagan's "moderate" cuts.

Sen. Helms has two impressive



Sen. Jesse Helms

sources of power. First, he holds a position of deepest respect in the conservative evangelical and political movement. "Basically," he says, "we're talking about faith in God vs. secular humanism."

Secondly, he has had enormous success in raising money through the direct-mail techniques polished in conservative causes. His instinct for folksy but high-powered public relations, honed through 12 years of Deep South radio and television editorializing as the "Voice of Free Enterprise" and a diarch critic of the civil-rights movement, gave him priceless entrée to small-dollar contributors. As the champion of the tobacco industry, he is not without big-lobby money, either.

Rich Re-Election Drive

In 1978, his organization ran the richest re-election drive in Senate history, spending more than \$7 million against weak opposition. Last year, the outfit raised more than \$4 million for Mr. Reagan, and applying the technique that fellow senators denounce as unsporting and mean, Sen. Helms turned his funding machine on several congressional and Senate incumbents seeking re-election as well.

Some senators complain that he attaches controversial riders on social issues to bills to build a roll-call record; then his cohorts flood the states of legislators who vote against him with fund-raising letters pegged to emotional issues.

Sen. Helms emphasizes that his efforts on social issues are hardly fruitless. He won on denying federal abortion funding to women on welfare who become pregnant through rape or incest; he is close to winning on his busing proposal.

"The business of the Senate is the clash of ideas and ideals," says Sen. Helms. "We should make substantial changes now unless we lose heart, and I don't intend to let that happen."

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# Peru Quake Prediction Creating Scientific Tremors

By Jay Mathews  
Washington Post Service

LOS ANGELES — For the first time, a U.S. government scientist has attempted to make a precise prediction of a major earthquake, saying that a devastating series of tremors will begin in Peru in the next few days and end with the largest measured quake in history.

The prediction by Brian Brady, a mathematician with the U.S. Bureau of Mines in Denver, has created consternation among other earthquake scientists, who see little or no evidence for the prediction, to say nothing of the concern in Peru.

Seismologists have had little trouble debunking earthquake predictions by psychics and stock-market analysts, but Mr. Brady has a doctorate from the Colorado School of Mines and has done work in mathematics and physics at the Massachusetts Institute of Technology.

The National Earthquake Prediction Evaluation Council, created specifically to deal with Mr. Brady's prediction, has rejected his evidence as "speculative and vague." But the prediction has received widespread publicity in Peru and generated debate in earthquake-prone areas of the United States about how future predictions should be handled.

No U.S. scientist has ever successfully predicted a major earthquake. Mr. Brady said a quake of 5.5 magnitude on the Richter scale June 22 about 200 miles (320 kilometers) from Lima supported his prediction, but American earthquake experts in government and at universities do not agree.

### 9.9 Magnitude

Mr. Brady made his prediction last year that a 9.2-magnitude quake, greater than the temblor that hit San Francisco in 1906, would occur near Lima on or about June 28, 1981. This would be followed by a 9.2-magnitude quake on or about Aug. 10 and a 9.9-magnitude quake on or about Sept. 16, he said in a prediction that was supported at the time by William Spence, a geophysicist with the U.S. Geological Survey.

A quake of 9.9 magnitude on the Richter scale would exceed what is thought to be the most powerful quake ever recorded by modern instruments, a 9.5-magnitude quake in Chile in 1960 that caused 3,700 deaths.

Word of the prediction eventually caused such a sensation in Lima that the Peruvian government asked the U.S. Geological Survey for an official opinion. The National Earthquake Prediction Evaluation Council, composed of government and university experts, said on Jan. 27 that it was "unconvinced of the scientific validity of the Brady-Spence prediction."

Barry Raleigh, the geophysicist at the U.S. Geological Survey in Menlo Park, Calif., primarily responsible for earthquake-prediction efforts, served on the evaluation council and has been one of

the most outspoken in deriding Mr. Brady's prediction.

He said Mr. Brady had not given the council any detailed written equations supporting his prediction, and said some of Mr. Brady's previous research papers had contained errors. "That is not to say other scientists' papers don't have some errors, too," Mr. Raleigh added. "He's got qualifications; you can't discount them."

In a telephone interview from his office in Denver, Mr. Brady said he was sticking to his prediction. He complained that the council had not given him enough time to explain his theory. "There is no way anyone is going to evaluate an earthquake prediction in just five hours. That's absurd," Mr. Brady said, describing the council's January meeting.

James Rice, professor of theoretical and applied mechanics at Brown University and an adviser to the council, said he felt some parts of Mr. Brady's earlier work on his "inclusion theory" were "simply mathematically wrong." Mr. Rice said Mr. Brady

had presented "a large series of slides covered with equations" at the council session but had not given members enough time to study them.

Mr. Brady's theory involves a complex analysis of the unusually severe stresses along the fault line running down the Pacific coast of South America. He said he had developed the mathematical model to predict quakes while analyzing ways to predict "rock bursts," small events like earthquakes that are caused by underground mining.

### Support Withdrawn

Mr. Spence, 43, dissociated himself from Mr. Brady's prediction shortly after the January meeting with the council. He said the area around Lima "is highly stressed and could conceivably produce a big earthquake. But I think for a series of quakes of that magnitude there should be all kinds of indicators present," which he said he did not see.

Mr. Brady and Mr. Spence told the council they would withdraw the prediction if there was not a

substantial increase in the number of quakes of 4.5 magnitude in the area in May. An increase has occurred, Mr. Brady said, although the quakes were recorded only by scientists in Peru who have kept him in touch.

The Brady controversy has revived an old debate over the socially explosive issue of earthquake predictions, particularly now that U.S. scientists are attempting to construct a system to predict major earthquakes along the U.S. West Coast.

A federal report has said there is a greater-than-50-percent chance of a major quake along the southern San Andreas Fault in the next 30 years and estimated the death toll at 3,000 to 13,000 people.

Chinese authorities say they have predicted several earthquakes and saved thousands of people by evacuating buildings. There is evidence, however, that they have ordered evacuations in some instances where earthquakes did not occur.

Mr. Raleigh said that "we are not in a stage where we can

predict. We are trying some ideas out, but we need many more good observations." He described the process this way: "You have a match and you know there is a candle in the room somewhere, so there is a certain amount of groping around."

### Precautions in Lima

LIMA (Reuters) — Hospitals and emergency services went on the alert here on the eve of the predicted earthquake. Hospital sources said as many patients as possible had been sent home to make beds available. Doctors and nurses were told to be prepared for an emergency.

"We are in a permanent state of alert," a civil-defense official said Saturday. The precautions were taken despite official appeals to the public to ignore the earthquake prediction made by Mr. Brady.

In a gesture to allay fears, U.S. Ambassador Edwin G. Corr told reporters that his elderly parents were visiting Lima as proof that the U.S. authorities were not taking the prediction seriously.

# Jews Selected for Torture, Argentine Activists Assert

New York Times Service

NEW YORK — The leaders of an Argentine human-rights group, Mothers of the Plaza de Mayo, say the Argentine government singles out Jewish political dissidents for especially cruel forms of torture and abuse.

In New York to accept a \$10,000 Truth and Freedom Award from the Rothko Chapel of Houston, the two representatives said that many relatives of Jews detained by the police had told them of interrogation sessions far more violent and prolonged than those experienced by other arrested dissidents.

"Many times, when the police find out that the family is Jewish, they treat them much more cruelly," said Hebe Pastor de Bonafini, president of the human-rights group. She said they had obtained the information from mothers and grandmothers of people taken away by the government and never returned.

### Lapaco Family

Maria Adela de Antokoletz, the group's vice president, recalled a case four years ago in which the police searched the home of the Lapaco family in Buenos Aires. When they found shelves full of books by Jewish authors, the police questioned Carmen Antokoletz de Lapaco. She explained that her dead husband, a well-known journalist in Argentina, had collected the books and that many of the authors were his friends.

"They realized then that her husband had been a Jew," Mrs. Antokoletz said. Mrs. Lapaco and her daughter were then arrested. The police released the mother 48 hours later, the daughter has not been seen since.

"We all know, though we are not acquainted with him personally, that what Timmerman says is the truth, because we have heard no less than 500 testimonies that say the same thing," Mrs. Bonafini said, referring to Jacobo Timmerman, the exiled publisher who has said that Argentina imprisoned and tortured him for 2 1/2 years, in part because he was a Jew.

Both women disputed Argentina's contention that it had stopped political detentions in the last year and a half. The two women said 14 mothers had joined their group after saying that their children had disappeared this year.

"It is true there have been fewer disappearances this year," Mrs. Bonafini said, but "the threats, the kidnappings and the deaths continue."

### Rothko Chapel

The Rothko Chapel of Houston, an ecumenical center for human-rights activities, has made awards of \$10,000 each to 12 human-rights groups. The center's money came from the late John de Meul, a Houston philanthropist, and his wife, Dominique. The center, which was designed by Mark Rothko, promotes human-rights activism around the world.

The two women plan to go to Washington next week to ask the Reagan administration for support. They declined to discuss their view of current U.S. human-rights

# Religion Stifled In Philippines, Cardinal Asserts

United Press International

MANILA — Philippine Cardinal Jaime Sin said there exists a "deleterious, finely orchestrated" government campaign to suppress freedom of religion in the Philippines.

The spiritual leader of the Philippines' 38.4-million Roman Catholics said on Saturday that events before, during and after the recent presidential election had forced him to draw such a conclusion.

The charge was made in a speech read to the Catholic Bishop's Conference of the Philippines by Bishop Leonardo Legaspi in Baguio, 160 miles (257 kilometers) north of the capital. The cardinal was in Manila recuperating from stomach surgery.

Cardinal Sin called the government's suppression of religious freedom a "problem of the most serious proportions" and said that it "strikes us as a deliberate, finely orchestrated campaign by the state to throttle the freedom of the church to speak up on matters of Catholic morality."

Series of Interviews  
If the answer is yes, however, the dealer cannot sell the gun until the bureau has investigated the applicant's case thoroughly and has granted approval. Agents interview friends, neighbors, employers, the local police chief and the individual, then make a recommendation. The file is forwarded to Washington for a final decision by the bureau's director.

# Coup Attempt Thwarted in Bolivia; Head of Army, Chief of Staff Held

United Press International

LA PAZ — The head of the Bolivian Army tried to overthrow President Luis Garcia Meza over the weekend but was crushed before either side could fire a shot. It was the fifth attempt in 11 months to oust Gen. Garcia Meza, who himself came to power in a military coup.

A military communique said army commander Gen. Humberto Cayoja and army chief-of-staff Gen. Lucio Anez had been arrested and would be tried for plotting the coup attempt.

Tanks and troops that Gen. Cayoja sent into the streets of La Paz before dawn later withdrew, replaced by soldiers loyal to Gen. Garcia Meza. No shots were fired, although there were reports of resistance in the interior.

"Gen. Garcia Meza retains the job of president with the full backing of the armed forces and the people's general consensus," a government communique said. The communique added that the persons involved in the rebellion had been removed from their posts and will be tried "in accordance with the armed forces law and military code." It did not say who, besides the two generals, may have been involved. However, in a brief radio broadcast while the attempted coup was in progress, Gen. Cayoja said he had received pledges of support for the coup from other cities.

# Gun Control Act in U.S. Gives Felons Chance to Regain Right to Bear Arms

By Douglas B. Weaver  
Washington Post Service

WASHINGTON — Russell Bootright, convicted of mail fraud in a little insurance-dividend check scam, served his time, re-established himself in his rural North Carolina town and set out to regain his rights as a citizen, including the right to bear arms.

So last year, as did 2,500 other convicted felons, he called the closest field office of the Treasury Department's Bureau of Alcohol, Tobacco and Firearms and applied for permission to buy a gun. Six months later, he got it.

"I don't even own a gun now, even after I got permission," Mr. Bootright said in a telephone interview. "I just felt it was a right I wanted. I live out in the country, and sometimes I might want to go plinking" (plinking is the sport of shooting holes in tin cans and such.)

Former Vice President Spiro T. Agnew, who pleaded no contest to a tax-avoidance charge in 1973 and resigned from office, was granted the same permission in 1974. He told reporters then that he needed a gun for personal protection.

### Appeal Process

Both Mr. Bootright and Mr. Agnew were forbidden by the Federal Gun Control Act of 1968 from owning firearms because they had been convicted of felonies, crimes carrying a sentence of more than one year. However, the act also provides a way for such people to regain that right.

E. Howard Hunt, for example, is in the midst of the process. He is convicted in 1973 of conspiracy, burglary and illegal wiretapping for his role in the 1972 break-in at the Democratic National Committee headquarters in Washington. He was released from prison in 1977, and recently submitted his application to be allowed to own a gun.

It starts with a federal form, which must be filled out by anyone who wants to buy a gun legally. One question on the form is: "Have you been convicted in any court of a crime punishable by imprisonment for a term exceeding one year?"

If the answer is no, the sale proceeds and nobody checks to see if the answer is true. The forms are kept on file by the gun dealer, not the federal government, and become useful only after a gun is involved in a crime and its origin traced.

That means, of course, that a person convicted of a felony and who does not care about the possibility of a \$5,000 fine and five-year prison sentence for lying on the form can simply answer no and buy the gun.

ment place in Buenos Aires. They do not carry signs or chant slogans but stand quietly wearing scarves embrodered with the names of their children and the dates they disappeared.

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# Using Anti-Terrorist Law, Police Rearrest Rightist Major in Spain

United Press International

MADRID — Using a new anti-terrorist law against the military for the first time, Spanish authorities have rearrested a rightist army major suspected of plotting terrorist acts against the government.

Defense Minister Alberto Oliart called the alleged conspiracy "a marginal thing" compared with the attempted coup by Civil Guard members on Feb. 23, but other officials warned against taking the reported conspiracy lightly.

On Saturday, the Interior Ministry ordered Maj. Ricardo Saenz de Ynestillas retained in custody "for crimes related to the formation of armed bands with civilian elements." Military authorities had released him earlier in the day after the maximum five days of detention allowed under military law.

Friends of the Mothers was announced by Patricia Derian, who was assistant secretary of state for human rights and humanitarian affairs in the Carter administration. The group will offer legal aid and "a show of support" to the Argentine group, Mrs. Derian said.



Gen. Luis Garcia Meza

# Terry Fox, 22, Canada Runner, Dies of Cancer

The Associated Press

NEW WESTMINSTER, British Columbia — Terry Fox, 22, the one-legged runner who became a symbol of courage and hope in his fight against cancer, died Sunday.

His Marathon of Hope, an attempted coast-to-coast run, has so far raised about \$24 million for cancer research. Last summer Mr. Fox tried to run from Newfoundland to British Columbia. He was forced to abandon the marathon near Thunder Bay, Ontario, when the cancer spread to his lungs.

Canada had announced Thursday that it would issue a stamp commemorating his cross-country run, an honor usually granted posthumously or reserved for the living only if they are royalty.

# Spanish Church Forbids Divorce

Reuters

MADRID — The Spanish Bishops Conference has forbidden Roman Catholics from seeking a divorce although they are allowed to do so under a law passed by the Cortes (parliament) last week.

The law, which allows divorce by mutual consent and takes effect next month, reintroduces divorce more than 40 years after it was abolished by Franco.

"The Catholic faithful may not in conscience use the civil possibilities provided by the divorce law," the conference's standing committee said Saturday. "Those who do will put themselves in an irregular situation before God and the church."



DRIVING TEST — Student driver Antoinette Monemagno probably will need a few more lessons before getting her license. She was slightly injured after losing control of a training vehicle in Little Silver, N.J. A policeman and her driving instructor inspected the damage.

# Rain, Floods Threaten Crops in Midwest

By Douglas E. Kneeland  
New York Times Service

LOWELL, Ind. — Last year Bill Lain was upset because he could not afford to buy an irrigation system to improve the yields of his drought-stricken corn and soybean crops here in Lake County. This year he is fretting about how to overcome losses caused by heavy rains and flooding.

For Mr. Lain, 33, who was named "Young Farmer of the Year" in Indiana last year, and for most other Midwestern farmers, the drought that has plagued much of the area for a year and a half is over.

In most of the midlands this is good news, but in many of the most productive farming counties of Illinois, Indiana and Ohio, the relentless rains of the last two months threaten a new disaster.

Much corn planting has been delayed past the time that would allow the crop to be harvested before the fall frosts. In many areas the fields have been too wet for farmers to use heavy equipment to plant a substitute soybean crop. And in other regions rains have washed out or severely damaged many acres of corn and soybeans already planted.

All three problems have struck Lake County in northwestern Indiana. Last summer, it was one of 16 Indiana counties that the federal government designated as drought disaster areas, allowing farmers who had suffered severe losses to qualify for low-interest emergency loans.

The irony is not lost on Mr. Lain as he surveys the 900 acres of

corn, 450 acres of soybeans and 60 acres of wheat that he had planted with his partner, Gerald Little. They estimate that much of the wheat and about half the corn and soybeans have been lost because of rains and flooding from overflowing drainage ditches that run through their property to the swollen Kankakee River.

"I really wanted to buy an irrigation system," Mr. Lain said. "But that's about \$120,000 and I couldn't justify going out and borrowing that much more money." With a nod toward the water standing in one of his ruined fields, he added, "The way things turned out, I'm just as glad I didn't buy one."

In Washington, the Department of Agriculture is to disclose Monday its latest estimate on the amount of acreage planted nationally in various crops, and on Tuesday it will give its projections for supply, demand and carry-over at the end of the crop year. And officials have conceded privately that they are watching the weather in the Corn Belt with apprehension.

In Chicago, Conrad Leslie, a private crop forecaster, said that "abnormal rains and temperatures to the moment suggest United States corn supplies a year from

### Temblor in Yugoslavia

TRISTE — Two moderately strong earth tremors jolted the quake-prone area near the Italian-Yugoslav border on Sunday, the Trieste Seismological Observatory reported.

now may be at an unusually low level." On June 15 there was still about 5 million acres of corn to plant," he said, "as compared to a normal 100-percent completion. This suggests the possibility then that we'll have below-normal yields on that late-planted acreage. In addition, some of the early-planted Missouri, Illinois, Indiana and Ohio acreage has been flooded out."

Mr. Leslie said the total corn acreage might slip as much as 2 million below the 74 million acres that the Agriculture Department estimated in March would be harvested in the fall. At an average of 100 bushels an acre, he noted, the total harvest would be 7.2 billion bushels. "Consumption this season, with limitations on Soviet purchases, will be about 7.5 billion bushels," he said.

In western Iowa and Nebraska, climatologists report a shortage of moisture, but agricultural officials are so far not expressing alarm about the overall crop outlook in either state.

Despite recent floods in the Great Bend area in western Kansas that did considerable local damage to wheat, the state reports that crops are progressing well. And in Missouri, higher-than-normal rainfall in most parts of the state has relieved last year's drought problems.

But in Ohio, three western farming counties, Putnam, Wyandot and Hancock, have been declared federal disaster areas. And the entire state of Indiana has been declared an agricultural disaster area.

# Oil and Money in the Eighties

A CONFERENCE SPONSORED BY THE INTERNATIONAL HERALD TRIBUNE AND THE OIL DAILY LONDON, SEPTEMBER 28 & 29, 1981

Sheikh Ahmed Zaki Yamani, Minister of Petroleum and Mineral Resources, Saudi Arabia, will be the keynote speaker at the second International Herald Tribune/Oil Daily conference on "Oil and Money in the Eighties," to be held September 28 and 29 at the Royal Garden Hotel in London.

James B. Edwards, U.S. Secretary of Energy, will open the second day of this international meeting with an address on the Reagan administration energy policy.

Designed to help senior executives involved in energy, finance and closely related fields to determine their business strategies for the 1980's, this two-day working conference will include major sessions on the following subjects:

- the supply-demand outlook
- how to finance future oil production
- the impact of politics on future oil flows
- alternative energy resources.

A panel format will be used extensively to stimulate exchange among all participants and produce fresh insight and recommendations on what must be done now. Speakers will include:

- Nordine Ait-Laoussine, Director, The International Energy Development Corporation, Geneva, and former Vice-President of Sonatrach
- James Akins, former U.S. Ambassador to Saudi Arabia
- Jane Carter, Head of Conservation, U.K. Department of Energy
- Arthur Eschenlauer, Senior Vice President, Morgan Guaranty Trust Company of New York, New York
- Paul Frankel, President, Petroleum Economics Ltd., London
- Herman Franssen, Chief Economist, International Energy Agency, Paris
- Ralf Roger Jakisch, Managing Director, Ruhrkohle International GmbH, Essen
- John Lichtblau, Executive Director, Petroleum Industry Research Foundation, New York
- Francisco Parra, Executive Director, International Energy Development Corporation, Geneva
- Malcolm Peebles, Director, Finance and Planning, Shell International Gas Ltd., London
- Jean-Jacques Servan-Schreiber, author of "The World Challenge"
- George J. Stathakis, Vice President and General Manager, International Trading and Construction Division, General Electric Company, Westport, Conn.
- William P. Tavoulareas, President, Mobil Oil Corporation, New York.

To register for this timely international conference, simply complete and return the registration form below.

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### CONFERENCE REGISTRATION

Please enroll the following participant for the IHT/Oil Daily Conference, September 28 and 29. 29-6-81

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Fees are payable in advance of the conference. Each participant: £375 or the equivalent. This includes all refreshments, lunches, and post-conference documentation. Fees will be returned in full for any cancellation that is postmarked on or before September 11.

Please invoice  Check enclosed

RETURN TO:  
The International Herald Tribune Energy Conference  
181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Tel.: 747-12-65 extension 301.

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### HOTEL RESERVATION

Please reserve for the nights of September 27 and 28 the accommodations checked below:

Single occupancy (£241 per night)

Double occupancy (£48 per night)

Reservations must be received no later than September 18, and accompanied by a check for the first night.

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RETURN TO:  
Ms. Liz Jackson, Reservation Department,  
Royal Garden Hotel, London W8 4PT, England.  
Reference: Energy Conference.





Chinese Foreign Minister Huang Hua and Indian Prime Minister Indira Gandhi met with reporters in New Delhi after a discussion of ways to resolve the issues dividing the two nations.

### India, China Agree to Work to Resolve Border Dispute and Normalize Relations

**NEW DELHI** — India and China agreed Sunday to negotiate an early solution to their 20-year border dispute and to seek to normalize their long-strained relations. The decisions were announced at the end of a three-day visit by Huang Hua, the Chinese deputy premier and foreign minister. Mr. Huang met Sunday with Prime Minister Indira Gandhi of India. Mrs. Gandhi and Mr. Huang both called his trip a success. It was the first visit to India by a senior Peking leader since before the Chinese-Indian border war of 1962. "The agreement is that we should talk about it," Mrs. Gandhi said when reporters asked her if her 70-minute meeting with Mr. Huang had produced agreement on the border question. "China 'Positive'" At a final meeting between Mr. Huang and P.V.N. Rao, the Indian minister for external affairs, it was tentatively decided that an Indian delegation would open normalization talks in Peking in September, an Indian official disclosed. Mr. Huang told reporters that on the border question China would "take a positive attitude and explore ways and means to handle and settle it."

Both sides made clear that actual bargaining had not yet begun on closing the wide gap on the border question and that neither had offered any specific compromises. But they expressed determination not to let the unresolved frontier dispute continue to block cooperation between the countries in other areas. Mrs. Gandhi said the border question had been discussed but there had been "no specific proposal from the Chinese side to resolve it." She said she stood by recent statements that Indian interests must be preserved. But she also

**Vienna Protest Urges Demilitarized Europe** VIENNA — About 2,000 young people took part in a pacifist march for a demilitarized Europe. Police said there were no incidents. The demonstrators protested Saturday against arms exports, stationing new missiles in Europe and U.S. involvement in El Salvador. They also called for the removal of Soviet SS-20 missiles in East Europe and the withdrawal of Soviet troops from Afghanistan.

### Thai Coup Plotter Returns From Exile After 80 Days

**BANGKOK** — A Thai military leader who went into exile after his unsuccessful coup attempt almost three months ago has returned to a hero's welcome typical of the Thai tradition of compromise after internal military confrontations. When his attempt to seize power was crushed and a warrant was issued for his arrest, Lt. Gen. Sant Chitpatima made his way across Thailand's rugged western border into Burma.

On June 22, after 80 days of political asylum in the Burmese capital, Rangoon, the former deputy commander in chief of the army came home to a house swelled with well-wishers carrying greetings and flowers. His reception was in keeping with Thailand's practice of harboring no hard feelings after factional clashes in the military.

Premier Prem Tinsulanonda, whom the plotters sought to depose, had said he was pardoning the rebels because of his adherence to a Buddhist teaching that says "evil should not be paid with retribution."

**Rife With Coups** The coup, which began in the early morning of April 1, was crushed almost without resistance after 56 hours. One civilian and one soldier were the only known casualties in a brief shooting incident. Thailand's modern history is rife

with military coups, which were usually followed by a policy of leniency. The only violent aftermath was the execution of an insurrection leader, Gen. Chalard Hiranyasiri, in March, 1977, by the hard-line regime of former Premier Thanin Kraivichien. "Usually, abortive coup leaders elsewhere either meet a violent death or have a choice of living in exile," a Thai politician said. "But Thailand is perhaps one of the very few countries where a rebel can continue life as if nothing had happened."

Gen. Sant, who is still a member of the Thai Senate, attended a legislative session Friday. He was greeted by members of parliament, which he had dismissed by decree during the coup attempt. Gen. Sant told reporters he had come to thank parliament for making it possible for him to return home through a royal amnesty. Thailand's King Bhumibhol Adulyadej last month announced an amnesty for 52 coup participants who had surrendered. Gen. Prem later proposed a bill to parliament seeking amnesty for all coup plotters, citing "national unity" as one of the reasons for his decision.

Upon his return, Gen. Sant was welcomed by student groups who thanked him for the coup manifesto. It reflected general anxieties of Thailand's laboring and educated classes — condemning press restrictions, crime, drug use and erosion of traditional Thai values.

Gen. Sant was chairman of Gen. Prem's policy advisory body and was regarded as one of the kingdom's most influential military figures prior to the April coup attempt. He is expected to play no further role in politics following his purge from the military by Gen. Prem.

Gen. Sant was near becoming the Thai Army's commander in chief last October, but parliament backed a move that allowed Gen. Prem to continue his term as army chief beyond the compulsory retirement date.

**Drastic Action** The extension angered Gen. Sant and other young military officers. They took their drastic action because they saw Gen. Prem's move as hindering efforts to create a democratic system free from military power-seekers.

Several of Gen. Sant's fellow plotters are now in the monkhood, some have started working on their memoirs, while others have announced intentions to make a political comeback. Gen. Sant says he has no plans for the future.



Lt. Gen. Sant Chitpatima

"I knew I would come back to Thailand one day because I did everything with good intention," he said. "But during my days as a refugee in Burma, I did not write anything down. I don't want to remember anything. I have forgotten everything."

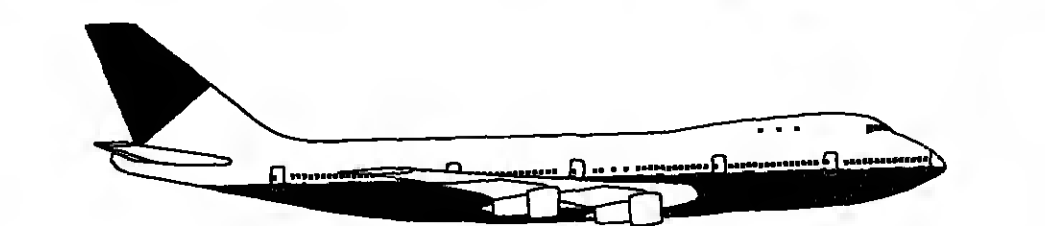
### China to Publish Selected Works By Liu Shaoqi

**PEKING** — Selected writings of Liu Shaoqi, the former president of China who died in disgrace in prison in 1969, will be published this year, the Chinese news agency has reported. Mr. Liu was exonerated and given a state funeral last year. The agency said his works recorded "his outstanding contributions to the formation and development of Mao Tse-tung's thought, the Chinese Communist Party's guiding ideology." Mr. Liu was dismissed and imprisoned during the Cultural Revolution. The news agency said the party Central Committee's editorial committee on party literature was compiling a selection of Mr. Liu's works on China's workers' movement, work in Nationalist-held areas, party building and other subjects.

### Pro-Taiwan Leaflets Fill Mail From U.S. to Peking

**PEKING** — Leaflets denouncing Communism, the Chinese leadership and recent improvements in Chinese-U.S. relations are being inserted into much of the mail received here from the United States, but Chinese and U.S. postal authorities say they are not certain who is responsible. The Chinese Ministry of Posts and Telecommunications suspects that agents of Taiwan based in Hong Kong may be the culprits, and accuses them of trying to poison Peking's ties with other countries. But U.S. postal inspectors speculate that Peking itself may be where the leaflets are being inserted since most mail from the United States does not normally go through Hong Kong on its way here. Several recent leaflets — generally mimeographed, 9-by-12-inch sheets filled with closely written Chinese characters — have praised the Nationalist regime on Taiwan and urged mainlanders to overthrow the Communists and adopt the Nationalist political, economic and social system. Other leaflets have objected to recent policy changes and have called Deng Xiaoping, the Communist Party deputy chairman, and other leaders a "new Gang of Four," comparing them to the radicals who controlled China during the Cultural Revolution and are now in jail. One recent leaflet urged, for example, that Chinese workers follow the "fighting experience of Polish laborers" and depose "our country's fascist dictatorship." Such leaflets have generally been signed with names like "a group of education workers," "Canton postal and telecommunication employees" or the "Political Tribune," which is regarded as representing the views of Chinese dissidents. After an investigation last month by Chinese security authorities, the postal administration in Peking said: "The material was exactly the kind of reactionary propaganda material forged by agents of Chiang Kai-shek's bandit gang. This dirty trick, frequently used by the agents of Chiang's bandit gang, is aimed at sabotaging the friendly contacts and postal communications between our people and those of other countries." The mail involved, addressed to Chinese as well as foreigners, was intercepted in Hong Kong and held up for as long as a month while the leaflets were inserted, the postal administration concluded.

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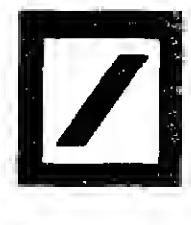


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# GREECE

## New Image Sought for Shipping Industry

**A**THENS — Since its accession to the European Economic Community on Jan. 1, Greece has been trying to improve the image of its large shipping industry as well as to defend its interests in the context of the Community's common shipping policy.

The Greek-owned fleet, the largest in the world with 3,870 vessels totaling 50.4 million tons gross (41.6 million tons of which is registered under Greek flag) has never been renowned for its high safety standards or the youth of its vessels. But recently both the Ministry of Merchant Marine and the Un-

ion of Greek Shipowners (UGS) have been trying to set the record straight on what they believe to be unjustified, biased and often unfair criticism.

The first steps were taken earlier this year by the UGS, whose delegations to the EEC authorities in Luxembourg and Strasbourg emphasized its views on various shipping issues including safety, the role of cross-traders and anti-pollution measures.

The addition of the Greek fleet to the EEC tonnage gave the community a boost, bringing to 26.4 percent its share of the total world tonnage. It also gave a new flavor to Community shipping discussions, since Greece, unlike other member countries with the exception of Britain, is almost totally engaged in cross-trading. Nevertheless, the Greeks feel that their tonnage complements rather than competes with the rest of the Community's shipping industries, and have been incensed at the criticisms of their fleet.

Aristomenis Karageorgis, the UGS president, said, "It's true that we don't have a fleet which was built yesterday. On the basis of sheer numbers alone, Greece is bound to have more older ships than other countries. In part this reflects the lack of depreciation allowances that would encourage the purchase of new ships. But it also reflects the social structure of the Greek shipping industry, which because of its fragmented ownership is different from that of any other EEC nation."

The union's statistics, presented to the Parliament, show that at the end of 1980 more than 63 percent of the Greek fleet was

made up of ships not more than 14 years old. Of these, 13.6 percent were ships up to 5 years old, 22.3 percent ships from 5 to 10 years and 27.2 percent ships between 10 and 14 years. According to the minister of merchant marine, Ioannis Fikioris, in fact, Greece has more ships less than 10 years old than any Community country except Britain.

As far as safety is concerned, the Greeks have reacted sharply to recent criticisms, such as that by British opposition shipping spokesman Stanley Clinton Davis, who said that Greece "would lower EEC standards."

Mr. Fikioris pointed out that the type of trading engaged in by most Greek vessels — 95 percent of the Greek tonnage is tramp — is the field in which ships are most susceptible to damage. The Union has also pointed out that statistics refer to total losses and do not differentiate between real total losses and constructive total losses, where the cost of repairing exceeds the insured value of a vessel. The union adds that, all things being equal, fleets with more old ships will have more constructive total losses because of the vessels' lower value.

### Foreign Exchange

Shipping remains Greece's top foreign exchange earner, substantially helping to alleviate the country's balance of payments deficit. Last year, Greek shipowners agreed to dump up an extra billion dollars, pushing the "invisible" earnings from the industry to more than \$2 billion. And this year the industry, which directly or indirectly supports about one-twelfth

of the Greek population, is expected to bring an estimated \$2.5 billion into Greek coffers.

Given their important role in the economy, Greece's shipowners clearly intend to have their say in the formulation of a common EEC shipping policy. While the other Community countries' fleets have dwindled in the last two decades, Greece's tonnage has doubled, and the Greek owners are not about to be pushed into abandoning their tried and tested recipes for success.

Mr. Fikioris recently backed their criticism of the Unctad liner code, which calls for a cargo sharing system that gives 40 percent of goods transport to the country of origin, 40 percent to the recipient country and leaves only 20 percent for cross-traders. "The Greek mercantile marine is against protective measures in shipping and especially those by which cargo guarantees are made in favor of a specific flag," he said. "In general, Greece opposes every agreement by which the participation right of cross-traders in transport, and more specifically in bulk transports, is prevented."

In the meantime, long-plagued by the tag of "fly-by-night" operators, the Greeks are struggling to improve their overall image. Greek owners are now solidly behind proposed safety regulations and anti-pollution measures, and last year the country became a founder-member of the International Maritime Bureau — a type of marine Interpol to fight maritime fraud.

The Shipowners' Union, which represents 2,100 of the 2,600 Greek owners, is also pushing for bilateral crew accords with Asian shipping unions.

## Greek Tycoon

**A**THENS — Unlike the late Aristotle Onassis, he shuns the press and the public. He lives between Athens, Geneva and Jidda, moves around in a private jet and runs his business empire like a naval college, under the guidance of retired Greek Navy admirals.

His name comes up frequently when big business deals are discussed in Greece and much of the Middle East. And in "The Shipowners," a current-running satire on Greek tycoons by playwright Dimitris Kollaitos, now showing in Patission, the "Broadway" of Athens, shipowner and oil magnate John Spiros Latsis, 71, tops the list, coming under fire through much of the play because of the influence he is said to enjoy within the inner circles ruling of the way he is reported to have built up his fortune and because of his controversial backing of the 1967-to-1974 military junta.

John Latsis is the new Greek tycoon. He has overshadowed the Onassis, Niarchos and Goulandris. True, he made his debut in the Middle East in the 1950s by providing shipping for Moslem pilgrims. But it was under the junta that he signed his first big deal: to build Greece's third oil refinery, a 195,000-barrel-a-day plant at Elefsis, in the Athens vicinity.

Mr. Latsis won the contract for the \$121-million plant over oil and tanker magnates Stavros Niarchos and Aristotle Onassis. The colobos, it was said, had rewarded their staunchest supporter, for Mr. Latsis had been making lavish contributions to their pet projects, including the building of a new cathedral in Athens.

Since then, however, Mr. Latsis has played a significant role in helping Greek relations with Arab oil producers in the Middle East, good enough to have so far spared Greece the hardships of oil embargoes and cuts in supplies of crude. He is known to have established an unusually good relationship with key personalities in the Saudi government and royal family. Last August, he won a \$2.6-billion contract to build and run an oil refinery in Rabigh, Saudi Arabia.

Mr. Latsis owns Petrola International, a group that includes shipping lines, shippers, construction companies and refineries. He is often seen in Jidda on his yacht, the Margarita, Petrola's floating Saudi headquarters, dressed in seafaring cap, blazer, white trousers and sneakers.

A veil of secrecy is drawn over his business empire. Occasionally, some light is shed on the more daring of his operations. One example was a plan, eventually shelved, to buy a refinery in Canada and tow it to Saudi Arabia.

Mr. Latsis' approach to doing business is reminiscent of U.S. oil magnates at their most abrasive. However, his taste for the unusual — and risky — deal has won him respect in the industry's establishment.

He brought off one such deal at the height of the Lebanese conflict, in 1976. Saudi Arabia had promised to deliver oil to the troubled port of Sidon, and approached major oil and shipping companies to freight the supplies. After assessing the risks of entering Lebanese waters with a tanker loaded with fuel and gasoline, the major companies refused. At this point, Mr. Latsis offered to do the job for no more than its cost and, to drive the point home, personally sailed with the tanker on its voyage to Sidon.

One day in 1979, after touring Mr. Niarchos' new \$3-million yacht, Mr. Latsis reportedly took out his checkbook, bought the ship on the spot for twice its value and a few days later gave it to King Khalid of Saudi Arabia.

— GERARD CASTORIADES

## Voters Focusing on Possible Political Shift

(Continued from Page 7S)

to deal with," an internationally known Greek businessman said.

A trade unionist with pro-Pasok sympathies said, "Pasok has promised so much that afterward there will inevitably be disappointment." He added that the party lacked technicians with real political stature. They could use around 400 mini-Papandreou's, he said, particularly to deal with the better-organized hard-line Communists, the KKE. The KKE, Greece's third-largest party, is expected to increase its share of the vote from its current 9.7 percent.

Both critics and well-wishers also believe that after an electoral victory Pasok could find itself suffering from internal strains. Not all observers would agree with Mr. Rallis' recent statement that Mr. Papandreou "cannot control his party's fanatical left wing." But

there is no doubt that the party's supporters and sympathizers include both diehard Marxists and liberals closer to the Greek centrist tradition who, once the party is in power, could find coexistence difficult.

In addition, observers believe that Pasok's need for the support of the centrists, thought to make up the bulk of Greece's floating vote and its undecided voters, may account for a recent moderation in Mr. Papandreou's rhetoric.

He still insists that Greece's recent accession to the EEC "exacerbates the country's crucial economic problems" but says that he would leave the final decision to a popular referendum. And he has toned down his anti-U.S. and anti-NATO stance, making it clear that whatever happens he will not take steps that would damage the pre-

paredness levels of the armed forces.

Like many Greeks, Mr. Papandreou appears convinced that the major threat to Greece comes from Turkey. The obsession with Turkey that runs through Greek foreign policy, combined with past resentment of the NATO allies for their failure to intervene and stop the 1974 Turkish invasion of Cyprus, makes Mr. Papandreou's long-standing opposition to NATO membership a popular motif in Greece. Nevertheless, a party militant said earlier this month, the election campaign will focus on domestic issues and not on foreign policy.

Some observers believe that the decision to play down the NATO issue reflects Mr. Papandreou's realization that if elected he will have some thorny foreign policy problems to deal with. Complex

negotiations with the United States for a new defense cooperation agreement broke down on June 18, meaning that the status of the four U.S. bases in Greece will have to be renegotiated by the government after the elections.

Last fall, concessions by both Greece and Turkey resulted in the former's reintegration into the NATO military wing, which Greece left in 1974 in protest over the Turkish invasion of Cyprus. But this left the problems of the bases, which are still operating under the terms of a 1953 agreement despite the fact that that accord was recognized as outdated when a new agreement, initiated but never ratified, was reached in 1977. The negotiations reportedly broke down over the question of a "one-time" bonus list of sophisticated equipment that the United States felt it could not give.

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— GERARD CASTORIADES



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**PUBLIC POWER CORPORATION**

**Details concerning the Energy situation in Greece**

MAY, 1981.

**OUTLINE OF THE EXISTING ENERGY SITUATION**

Our country's Energy needs are covered by the following three primary sources of supply:

- Liquid Fuel,
- Solid Fuel, and
- Hydrodynamic Energy.

The total consumption of primary forms of Energy is currently covered by 25% from local resources (Lignite and Waterfalls), and by 75% from imported Energy mainly comprised of Liquid Fuel.

Approximately 36% of the total consumption is utilized for electricity production, which is obtained by about 45% from Lignite, by 16% from Hydrodynamic Potential, and by 36% from Petrol. A very small proportion, about 3%, was obtained through connections with the distribution networks of neighbouring countries.

Energy (in all its forms, i.e. Liquid Fuel, Electricity, Gas), as made available today for consumption, is absorbed 43% by Industry. 27% by the means of Transportation, while 30% is used for domestic and other purposes.

**ROLE OF PUBLIC POWER CORPORATION**

The developments which occurred over the last few years, led, as expected, to a re-arrangement of aims and objects of the entire economic policy of Greece. As far as the Energy policy is concerned, the basic objects—the pressing objects one could say—are the following:

1. Utilization up to the highest possible degree for the local Energy resources;
2. Research and effort to obtain new local Energy resources;
3. Proper use of Energy, avoidance of waste, appropriate methods of selection.

The Public Power Corporation, in its capacity as the responsible State Agency for the production, transportation and distribution of electric Energy, has undertaken the main task of implementing these objects. This is aimed at not only through the planning and execution of the appropriate Energy projects, but also through a program for the development of new Energy sources, cooperating for these works with other appropriate Agencies, according to requirements.

Utilization of local Energy sources is in progress along with the implementation of the P.P.C. Program for the execution of Lignite and Hydroelectric works to the extent permitted by the confirmed Lignite deposits and the recognized Hydrodynamic potentials.

However, the research for, and efforts to obtain, new local Energy sources, is the object of an intensive program processed by the Public Power Corporation in cooperation with State Organizations (e.g. the Institute for Geophysical Studies), Designers/Cooperators (Hydrodynamic field), or Foreign Special Advisers (in the Geothermic Field).

**ENERGY BALANCE 1980**  
 (In million of tons equivalent to Petrol)

	Mill. Tons Petrol Equiv.	%
<b>A. Primary Form Consumption</b>		
1. Local Production	4.0	24.7
2. Net Importation	12.2	75.3
3. Total Consumption	16.2	100.0
<b>B. Electricity Production</b>		
4. From Solid Fuel	2.68	44.5
5. From Liquid Fuel	2.13	36.1
6. From Hydrodynamic Energy	0.97	16.4
7. Importation of Electric Energy	0.17	3.0
8. Total	5.90	100.0
9. Ratio (B) to (A)		36.4

**P.P.C. PROGRAM**

In accordance with the Energy policy followed in Greece, in the procedure for the selection of new production plants, emphasis is placed on the need for the utilization of local Energy sources, which are essentially Lignite and Waterfalls. For the decade 1980-'90, the existing Lignite deposits justify the installation of new plants, which are expected to cover, in conjunction with Hydroelectric Stations, the increasing need of Energy, substituting at the same time the Energy production from Petrol.

Considering that by the above-mentioned program, and on the basis of the existing known Lignite deposits, the possibility of establishing additional Lignite units is completed, Greece, in order to meet its long-term needs for electric Energy, is compelled to have recourse, with effect from the end of the decade in question, to Atomic Energy and Coal importation.

It is therefore to be noted that towards the end of the ten-year period 1980-'90, in the network system the Electric Energy to be produced from Petrol will be restricted to about 2%, whereas the local resources will contribute 86% of the total consumption.

No doubt, the forthcoming years will not be free from difficulties. A lot of work and a lot of money will be required in order to accomplish the program outlined. Which will attain, almost entirely, the elimination of the Petrol "stress" connected with Electric Energy production.



# GREECE

## Rallis Keeps Cool Amid Rising Uncertainty

**A**THERS — A politically passionate people, Greeks tend to be excited. But seated in his air-conditioned, wood-paneled office in the Greek Parliament building in central Athens, Premier George Rallis, 62, is the picture of steadiness and calm.

Outside, despite the early summer heat, the mood is one of impending change. Many Greeks appear convinced that, after the elections next fall, Andreas Papandreu's Panhellenic Socialist Movement will replace the New Democracy party, which has led the nation for seven years.

But the premier seems decidedly optimistic. As the third premier in as many generations of the Rallis family and with 30 years of political activity to his credit, he no doubt has a gift for political gloss in his hood. But the calm and optimism, tempered by an unusual — and refreshing — tendency toward honesty, are clearly genuine.

Inevitably, he said, after years in office his party is bound to have disappointed a certain number of voters, and the "myth of change" that has developed could certainly prove damaging. But New Democracy, he believes, is still likely to come out on top — not only because it will probably absorb a large part of the votes (7 percent) that in 1977 went to the far right National Front, as well as some centrist support, but because, the premier insists, in recent months there has been some real improvement.

### Development Plan

In his view, a regional economic development plan is responsible for a halt in the rural depopulation that in recent years has made Athens the home of about 40 per-

cent of Greeks. Current statistics, he believes, indicate a possible economic recovery and a slowdown in inflation. And although he was pessimistic about the possibilities that agreement could be reached now with the United States on a new bases agreement (talks were officially suspended on June 18), he feels that his government will have made clear its defense of the Greek national interest.

Eager to woo support from both the center and the left, the Socialist leader — whose party is strongly anti-NATO — has, Mr. Rallis said, been avoiding the issue.

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don't get at it until you've unwrapped 20 different boxes." He said that he would challenge Mr. Papandreu on this, questioning the emphasis that the latter gives to the so-called Mitterrand effect, when in fact the new French president is clearly "more pro-Western than Giscard" (former President Valery Giscard d'Estaing, defeated by Mr. Mitterrand).

Some Greeks would challenge Mr. Rallis' arguments: Chances of economic improvement in the coming months are slim, the bases issue could prove a boomerang and the premier's recent tour through Thrace was marked by

poor turnouts that contrasted sharply with Mr. Papandreu's crowds during a similar tour.

But Mr. Rallis' optimism may also reflect changes within his party. A year ago, the former lawyer, a strong opponent of the 1967-1974 military dictatorship, was elected party leader over Defense Minister Evangelos Averoff by a narrow margin of 88-84. Although he had previously held several important ministries, he was thought likely to be constantly overshadowed by the strong-willed departing premier and current president, Constantine Caramanlis.

— SARI GILBERT

## ATHENS FESTIVAL 1981



## 'Gateway to Heaven' Has Some Problems

**M**OUNT ATHOS — Mount Athos, or the Holy Mountain, as the Greeks call it, is one of the world's oldest Christian communities and the only one with an unbroken history today.

Dating to the seventh century, the community of monks and hermits is struggling to remain a bastion of Christianity. Yet its 1,400 residents face their hardships with the confidence that they are God's select few, guarding what they call "the gateway to heaven."

The autonomous monastic community, covering about 225 square miles in an isolated mountainous and forested peninsula of northern Greece, is beset with problems. These include internal dissension; financial worries; deterioration of the community's art treasures through theft, decay, earthquakes and fires; unchecked incursions of tourists and, not the least annoying, the presence of women, who still sail within sight of the monasteries and sometimes land illegally on the shores.

### Contentment for West

Since the first hermits — fleeing religious persecution — founded their "Garden of God" in the seventh century, the colony has experienced both splendor and decay. Lavish support from both the Byzantine emperors and foreign royalty raised it to a peak of 180 monasteries and cloisters sheltering more than 10,000 monks at the end of the 11th century. Yet it also suffered from the upheavals of the surrounding world, and was frequently plundered by armies.

After the split between the Western and Eastern Christian churches, Athos also often found

itself in disfavor because of its fanatic refusal to reunite with the Latin West. An attitude of contempt for the Western Christian churches, seen as heretical and corrupt, persists today.

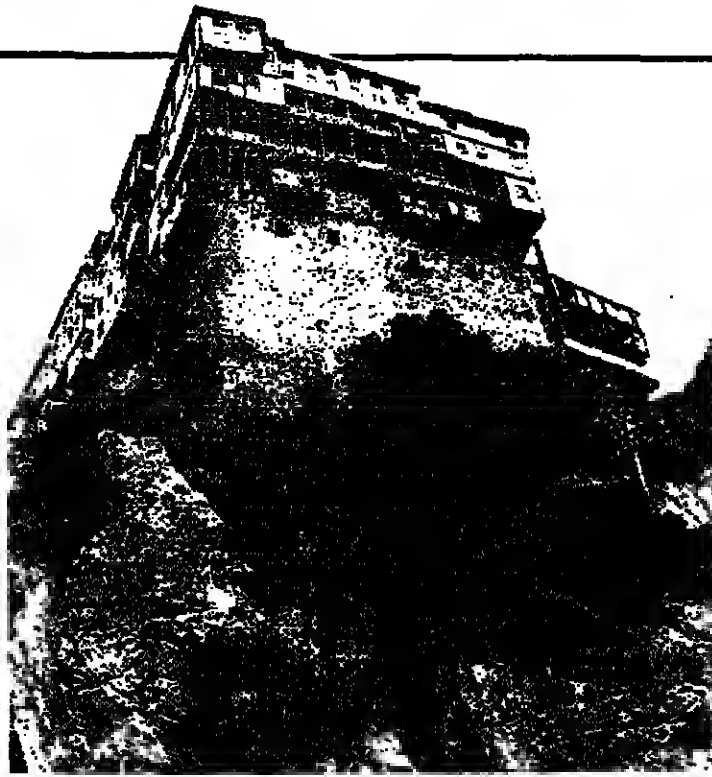
The most pressing problem is material survival — how to maintain the remaining 20 main monasteries and the 1,700 auxiliary buildings. There are 300,000 square feet of frescoes, 20,000 icons, 13,500 Greek manuscripts and a vast collection of relics and treasures.

The Greek government, which has political jurisdiction over Mount Athos, gives the monks about \$300,000 annually for their basic needs, but this is hardly sufficient. Monks resort to subsistence farming, timber-trading and rent from properties outside Mount Athos.

A main hope comes from a \$1-million grant being considered by the European Economic Community, to be used for restoration, within the framework of regional development support for Greece.

Another problem is the community's replenishment, although a drive for recruits has been encouraged. A Salonika University report shows that the number of monks has risen to 1,400 from a low of 1,146 in 1972. Most are Greek, although 20 percent are of Russian, Bulgarian, Romanian or Serbian origin and there is a sprinkling of West Europeans and Americans. The average age is 49, down from 61 a decade ago.

The community's political philosophy is anti-Communist, anti-Vatican and in general critical of the more open-minded Greek church and government. The Holy



A Mt. Athos monastery perched on cliff edge.

Council, a governing body of 20 annually elected abbots, has repeatedly protested religious persecution in the Soviet Union. It has also been critical of Greece's membership in the EEC and its recent establishment of diplomatic ties with the Vatican.

Mount Athos softened its opposition to EEC membership after Community officials visited the Holy Mountain and assured it that its special status would not be touched by Brussels. Such a provision was incorporated in the Greece-EEC Treaty of Accession.

### 'Orthodoxy or Death'

The monks are also internally politicized. The Zealots, a hard-core group of about 200 monks with a slogan of "Orthodoxy or Death," regard the other monks as impure in their Orthodox faith. In the last two years, police have been called in on several occasions to

deal with skirmishes between Zealots and moderates in their struggle for control of monasteries.

Religious experts say that the Zealots feel threatened by the new recruits, who for the most part have more "European" ideas such as advocating practical good-deed functions instead of concentrating on Orthodox mysticism.

Despite the problems, the Mount Athos elders are confident. French-educated Vasilios Gountikakis, the abbot of the 10th-century Stavronikita monastery, explains that Mount Athos provides society with a means of raising the individual out of his misery to higher spiritual levels. "For the monks, we are a runway, a gateway to heaven," he said. "For the rest of the world, we are a lighthouse, battered by the waves but still lighting the way, as we have done for centuries."

— PAUL ANASTASI

## Level of Crime Remains Among the Lowest in the Western World

(Continued from Page 75)

firebombings of several large Athens department stores have been greeted with shock, horror and almost disbelief.

"This is not Greek behavior," an Athenian politician said after two firebombings in central Athens recently.

In general, in fact, Greeks find violent crime so disturbing that they appear to take solace from the belief that foreigners have been responsible. Thus, many Athenians appeared willing, if not eager, to believe a communiqué claiming responsibility for the firebombings by the "Greek branch" of the Italian Red Brigades although the latter group apparently has not participated in or organized terrorist acts outside Italy. Nevertheless, in

discussing crime, sociologists and criminologists list high among the factors responsible for its gradual increase the growing number of foreigners who visit or pass through Greece.

According to U.S. anthropologist Peter S. Allen, the low crime rate in Greece as a whole and, in particular, in overcrowded Athens (which now houses almost 40 percent of the country's population), is one of several elements indicating that postwar urbanization has on the whole been a remarkable success.

Most sociologists in Greece seem to believe that a major factor explaining the low crime rate is the role of the family and the significant "social control" exercised both by the family and, more gen-

erally, by the network of community or neighborhood social relations.

For example, criminologist C.D. Spinelli said, juvenile delinquency in Greece, although slightly on the rise in recent years, is limited, even for a country with a population of only 10 million. In 1979, only 4,497 cases involving children under 17 — a slight drop from the 1978 figure — were adjudicated.

Dr. Spinelli, a professor at Athens Law School, believes that the characteristics of Greece's *gemeinschaft*, or community-oriented society — cultural homogeneity, a functioning system of intricate in-group relations and strong *philotimo*, or love of honor — act as deterrents to violent crime.

She points out that more than 40

percent of the crimes committed in 1979 were traffic or market violations. Crimes against persons, which have declined during the last decade, represented only 13.2 percent (plus 2.8 percent for crimes of honor or passion). And despite a revolution of rising expectations nurtured by television and film as well as by tourists and returning emigrants, crimes against property represented only 4.5 percent of the whole.

According to sociologist Jane Lambrini, crime has remained low because to a large extent the population movement from country to cities has been accompanied by a transfer of village values. "When people move to Athens they generally come to join relatives or friends. This way the social con-

trols of the village exercised by family members, friends and even shopkeepers are reproduced in city neighborhoods," she said.

Other reasons are Athens' generally good housing, its relatively high standard of living and a hidden economy that along with significant economic development has kept unemployment levels lower than in many other major urban centers, Mr. Allen said.

A warning note is that rapid social change is bound to have negative effects. "As urbanization continues," Dr. Spinelli said, "there is bound to be some breakdown of traditional family relations and a consequent increase in the anonymity of city life."

— SARI GILBERT

### ASSETS: \$ 13.8 BILLION\*



## A Pillar of the Greek Economy

The National Bank of Greece is the largest banking institution in the S.E. Mediterranean. It ranks among the fifty biggest banks in the EEC. It controls a group of 25 companies - in banking, insurance, industry and tourism - which are among the largest and most profitable in the land.

The National Bank itself has 373 branches in Greece and 28 branches and offices abroad. It also controls 4 banking institutions abroad (with 15 branches) and 5 banking institutions at home. In 1980, deposits reached \$10.7 billion and almost 60% of banking transactions in Greece were conducted by the National Bank of Greece.

Doing business in Greece means doing business with the National Bank of Greece.

\* 1980 - consolidated figures



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The Agricultural Insurance Organization (OGA) is a vanguard-type Organization both by reason of its structure and mode of operation. It is responsible for social and insurance protection granted to the rural population of Greece through a series of allowances paid in the fields of "old-age pension", "health", "agricultural production insurance" and "family allowances".

OGA is unique in its kind, all over Europe, mainly because of the fact that with a personnel of barely 300, OGA covers, for insurance, almost 25% of the Greek farming population. This is achieved through a special, simplified organizational system which presents no similarities with the classic insurance systems found in both Greece and Europe.

**Widely Extended Activity**

OGA covers a wide field in the agricultural sector of the Greek economy:

- A) Old-age pensions paid to about 500,000 old people (men and women) and to about 100,000 invalids, i.e. people disabled as a result of accident, illness, or even invalids born as such.
  - B) Health care provided to insured individuals, as well as to members of their families, without extra charge. About 300,000 persons are admitted to hospitals every year at OGA expense.
  - C) Insurance coverage provided to all Greek farmers, by insuring their production from damage due to local weather disasters (hail, frost, storm, floods).
  - D) Payment - on behalf of the Ministry of Social Services - of family allowances to all multi-member families, rural and urban.
- To realize this wide social insurance plan, OGA spends many billions of drachmas every year. During 1981, it is estimated that a 32 billion drachmas sum (approximately) will be spent by OGA as detailed below:
- 65% for old-age pensions;
  - 21% for medical care, in addition to amounts spent by the Ministry of Social Services for the Medical Centers, Rural Clinics and Rural Medical Personnel;
  - 11% for indemnities connected with agricultural production;
  - 3% for all other situations as well as administrative expenses.

**Up-to-date Methods of Operation**

To carry out its large-scale activities, OGA implements a particular system of operation.

**First:** It makes use of simplified, anti-bureaucratic methods for ascertaining, allotting and paying all allowances. OGA is comprised of an organized Central Service, staff-like and simple; it also uses up-to-date electronic and computer methods as well as efficient organizational systems, i.e. the standardization of supporting documents, the method used in liquidation of allowances, in following up insurance changes, payment warrants, etc.

**Second:** It has adopted an original "decentralizing" administrative structure which enables it to cooperate directly with about 6,500 Secretaries of Municipalities and Communities throughout Greece.

It is worth noting that OGA does not collect any individual contributions. It is a characteristic fact that, for 1980, 78% (approximately) of OGA expenditures were met through social funds and subsidies and only 22% (approximately) originated from the farmer's own participation.

**OGA Contribution to Agricultural Development**

Concerning the OGA contribution to the general endeavors of Greek agriculture, we should refer, in particular, to the Insurance of the Agricultural Production as an institution which is founded on a systematic and successful basis. Although it started operating only in 1963, its levels are most satisfactory. Its positive differentiation from European institutions is to be found in the fact that OGA covers more risks and products and provides increased coverage. In Greece, the insurance procedure operates on a state-basis while in other Common Market countries it is assumed by private enterprise or union initiative.

Common agricultural policy in the field, particularly of common agricultural structures, is fundamentally based on two poles: common organization of agricultural markets and the tracing of a uniform line in agricultural structures. The aim set is both to ensure for the European consumer abundant, varied, and low-priced agricultural products for his day-to-day needs and to make the farmer enjoy a satisfactory, constantly improved and, to a great extent, warranted income.

Insurance coverage, at average standard prices, by areas of production and movement of agricultural products, contributes in a decisive manner to guaranteeing an agricultural income.

It is certain that, following our association with the Common Market, the Greek farmer will become a "small-to-medium" businessman, exactly as the case is with his counterparts of the European Common Market countries; OGA contribution, by its original character and within the limits of its possibilities, to this nationally important effort deployed, both in the social and economic fields.

# GREECE

## Readers Scarce, but Newspapers Abound

**ATHENS** — The newsstands in Athens are vaguely reminiscent of Christmas trees. Often topped with pagoda-like awnings, they offer a vast selection of cookies, nuts and candies. But their festive air depends largely on the unending tiers of local and foreign magazines. Also flapping in the breeze, with headlines that cry out for the passer-by's attention, are the front pages of a surprisingly large number of daily newspapers.

In a country with a population of almost 10 million, more than 85 percent of which is literate, the daily newspaper readership — about 80 per 1,000 people — is one of the lowest in Western Europe. Nevertheless, about 85 newspapers appear daily. And at a time when many U.S. cities have been left with only one or two morning papers, Athens has 14 daily papers, with three more reportedly planned in coming months.

With a total circulation in the Athens-Piraeus area of no more than 725,000, the newspapers are not money-makers. Most are said to be dependent not only on the tax-free overprint provided by the government but on state-guaran-

teed loans for the most part financed by Greece's large public banks.

But the newspapers are not in business for the money anyway. "Greek papers don't exist even to inform, but rather to propagate ideas," said a leading Athens editor. He described Greek dailies and their readers as forming a sort of "tribal system" that most people in Greece both want and expect.

**Political Line**

Of the 14 nationally sold newspapers currently printed in Athens, only two, Rizospastis and Avgi, are official party organs — respectively, of the hard-line Communist and the Eurocommunist parties.

But almost all the others have a clearly defined political line or affiliation, ranging from far-right and monarchist to conservative pro-government, liberal or leftist.

Athens News Agency chief George Anastasopoulos said, "Because of Greek tradition, people here feel that every shade of opinion must be expressed." Since the fall of the seven-year military dictatorship in 1974, the Athens press

has exploded in an orgy of freedom that some would define as license. Its characteristics, in fact, have been sensationalism, extreme politicization and, in the case of the opposition papers, strong antagonism toward the New Democracy government.

Foreign observers point out that, by the journalistic standards of many countries, the results have been disappointing. For the most part, the news columns of the Greek press are as politicized as the editorial pages. According to a veteran foreign newsman, a lack of objectivity and a sensationalist outlook combine to make it just about the most irresponsible press in Western Europe.

Several Athens morning papers, like the independent Kathimerini and the pro-Socialist To Vima, make a stab at more complete and objective news coverage, observers say, but the more sensationalist afternoon papers do considerably better in terms of circulation. To Vima has a circulation of about 25,000 while the afternoon sister paper, Ta Nea, reportedly sells more than 130,000.

An experienced Athens editor ascribes this morning-afternoon imbalance to the fact that Greeks do not eat breakfast and rush off to work too early to read a morning daily. The preference for the

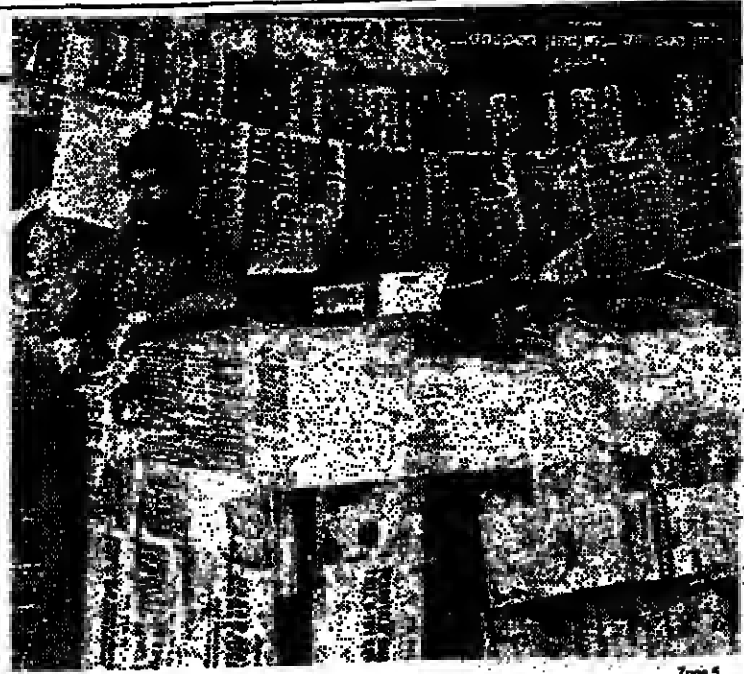
afternoon papers, he adds, may also be a throwback to pre-1974 days, when surveillance of neighborhood newsstands by government informers, in an attempt to keep track of many people's reading habits, made it safer to buy a paper in central Athens later in the day.

But the preference for sensationalism must be in part a question of taste. "Generally, Greek newspapers devote their efforts to telling a particular constituency what it wants no matter what the facts are," a Western diplomat said. An example is the unquestionable success, by Greek standards, of a new afternoon paper called Avriani, which began publishing 15-months ago and quickly became Greece's fourth-largest daily.

**Scandal-Mongering**

Part of the paper's success comes from its use of money-back coupons to sell at five drachmas, about 12 cents, or a third of the regulated government price. It can afford to do this because it uses nonunion printers and journalists as well as modern, fast rotary presses and computerized typesetting.

But Avriani has also specialized in scandal-mongering, training its sights on top government personalities in a way that most Greek



Athens kiosk: 85 papers appear daily.

papers, despite their apparent aggressiveness, generally try to avoid. Earlier this year, the paper's publishers, George and Makis Kouris, were sentenced for maligning first President Constantine Caramanlis and then the businesswoman-wife of Premier George Rallis.

Whatever its faults, observers point out that the press provides the only forum in Greece for real political debate. In a departure from most Western practice, one of two state-run television channels, Yened, is run by the armed forces information service and with government announcements included in its daily programming regular boosts for the military. The other channel, ERT, is a

state monopoly under the authority of the Ministry for Information. Opposition groups claim that they are given inadequate coverage, and that the station gives extensive coverage to government politicians while limiting reportage of "infelicitous" events.

An Athens newspaper editor said that an Information Ministry directive limited coverage of the inauguration of Socialist French President Francois Mitterrand to one and a half minutes. And other important news events have often taken second place to footage of ribbon-cuttings or to the ceremonial activities of President Caramanlis. —SARI GILBERT

## EEC Entry Brings Economic Uncertainty

(Continued from Page 75)

1981 is not expected to exceed 2 percent. As for government optimism that the inflation rate can be reduced to 19 percent by the end of the year, a high-ranking official admitted that this was doubtful.

Unchecked public spending is as great a source of inflation as the growing costs of oil imports, he said, adding that "in an election year it is far easier to incur deficits than to cut them."

The economy does have some bright spots. Although the official figure of 3 percent is thought to be low, unemployment has been kept in check. And, because of slow growth and high "invisibles," the balance of payments deficit of \$2.2 billion — expected to rise to \$2.5 billion this year — has remained manageable enough to give Greece an excellent international credit rating. According to a Western diplomat, potential foreign investors ought to be attracted both by the current political stability and growth levels that, despite the slowdown, are higher than the EEC average.

But much of the government's

optimism regarding the EEC stems from the fact that the industrial sector appears to have survived the long period of association, during which 68 percent of customs duties were gradually removed. A five-year transition to remove the remaining 32 percent, Mr. Paleocrassas said, is bound to cushion Greek industry from increased European competition.

The steelmakers disagree. Already forced to reduce capacity by the domestic recession, they now require by EEC policy to cut output by an additional 25 percent. They are also angry with the government for waiving its right to phase out protective tariffs in this sector in favor of an immediate 50-percent tariff cut. This will encourage steel imports and is likely to force significant changes in the local industry's structure.

This incident struck a warning note for other manufacturers. With a few exceptions — basic metals, cement, tobacco, textiles and chemicals — many Greek enterprises are believed not to be geared to deal successfully with international competition. Some observers say that such companies could be forced out of business or led

eventually to become subsidiaries of foreign firms.

There is widespread agreement, on the other hand, that for agriculture, and consequently for farmers, membership in the EEC will be a plus. Along with taking pressure off the Greek budget, subsidies from the common agricultural fund will raise Greek farmers' incomes by guaranteeing them minimum prices for products like olive oil, lamb, sugar, cereals and wine.

**First Subsidies**

Earlier this month, for example, Agriculture Minister Athanasios Canellopoulos announced that the first subsidies had started arriving. Olive oil producers will receive \$2.15 billion for the 300,000 tons produced this year, and wine producers will get \$950 million. The subsidies will be increased gradually every year so that the current \$7.19 per kilogram of olive oil will rise to \$36 by 1985-1986.

Although the high rate of inflation in recent years may have closed much of the gap, Greek food prices must be harmonized with those of the EEC. The accession agreement consequently provides for a transition of five years, extended to seven years in the case of some products like tomatoes, peaches and fish.

Government spokesmen insist that there will be few problems because, they say, Greek agriculture is complementary with that of the EEC rather than competitive. Nevertheless, some difficulties can be expected.

With about one-fourth of the labor force employed in the sector, Greek agriculture is significantly less modernized than that elsewhere in Europe. Even more worrisome is the farmland's extreme fragmentation, which, according to Athanasios Pappalaxis, the governor of the Agricultural Bank, is the sector's most serious structural problem. According to a 1978 study, the average size of the 1 million or so farms today is still only five hectares, against 17.5 hectares in the EEC as a whole.

**'Mamma From Heaven'**

According to Mr. Pappalaxis, abundant rhetoric from all sides has kept farmers from being adequately informed about the significance of membership in the Common Market. "The tendency has been to expect manna from heaven, without realizing that efforts must be made to improve current marketing conditions," he said, adding, however, that he thought membership would prove to be a

stimulus because it will reward agriculture's most efficient units.

One of the main worries about EEC membership has been the effect on food prices, originally expected to rise by as much as 14 percent. Now, increases for Mr. Pappalaxis, price increases for food will probably not exceed 2 percent.

Furthermore, according to Mr. Paleocrassas, the major cause of price increases is still the country's extremely inefficient distribution system, which has a large number of retail outlets, and of profit-hungry middlemen. A surge in the prices of some foodstuffs — particularly meat — in the weeks following accession was attributed to speculation by wholesalers. The government took prompt action, but in general has acted in accordance with the EEC's free-market principles, moving in recent months to abolish a long-standing and complex system of price controls.

**Drachma Policy**

Membership in the Common Market has also led the government to take steps toward establishing the full convertibility of the drachma, which since the end of 1980, when an interbank foreign exchange market began operating in Athens, has been quoted in Paris. Earlier this month, Mr. Paleocrassas said he believed that the drachma was "already" strong enough for Greece to join the European Monetary System, but that this would be put off until early 1982 when all foreign exchange controls are to be removed.

Like many other Greek officials, Mr. Paleocrassas stressed that EEC membership would also lead to a reform of the antiquated banking system. In fact, action has been taken to begin unifying the scores of different interest rates that are thought to have helped stifle investment and the development of a healthy capital market.

According to Mr. Pappalaxis, this type of action is probably what the economy most needs. "We have come to a point where further development was impossible without institutional reform," he said, adding that recent moves in this direction — for example, a new law on economic cooperatives — indicate that the long-term effect of the Common Market would inevitably be positive.

"The Common Market will leave us with greater efficiency and productivity," he said, adding that this was the proper medicine for what is "basically a healthy economy suffering from a bad cold." —SARI GILBERT

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Greece belongs, actually, to the Common Market. Several public services endeavor to "modernize" their activities and the mentality of the Greek people with those of the European Common Market Countries. The Labour Manpower Employment Organization (known as OAED) is the competent agent for the modernization of technical and professional training, as well as of the fields which deal with "assimilation" of Greek labour with their colleagues of "United Europe".

In particular, OAED activities aim to assist the working parties in 4 main fields:

**Professional Orientation**

With this service — which has branches in all the Greek urban centers — the OAED assists young people in selecting the profession that suits them best, whilst demand for it is satisfactory, in the area of their domicile; said young people do not have to face, then, the problem of unemployment. Recently, OAED has founded a new "Professional Orientation Center" in Athens, for young people to be duly informed; such Center is by all means up-to-date, and rivaling with the European same.

**Professional and Technical Training**

OAED provides the opportunity for technical and professional training to a major part of Greek Labour Manpower. In particular, it trains non-qualified labour and technicians in Greece, from ages 18 to 46, in technical trades. Thus, it assists thousands of Greek working parties, which face problems by reason of low wages, so that they obtain considerably higher remunerations, and improve their social situation. Trainees do not pay fees, but during their training (which lasts 6 to 9 months) they are being paid by the wages provided for "non-qualified" workers — technicians, being also insured without having to bear any charge, themselves, in that respect.

At the same time, OAED is absorbing (through its Schools and Centers) a large number of young people (ages 14-20) who cannot follow University courses. Our OAED Schools and Centers are scattered throughout Greece, and they supply the whole area with thousands of qualified workers.

**Finding jobs**

Thanks to its local Departments — which operate through out the Country — OAED provides jobs for a large number of unemployed persons. The latter remain unemployed, as a result of various emergencies (such as floods, earthquakes etc.). Also, OAED issues special allowances for children and parties joining the Armed Forces, for military service.

Further, OAED is keen on developments, improvements and modernization. It founds new Local Services of Employment, and new educational Centers and Schools, whilst it modernizes its educational programs, bringing them to the level of European Common Market Countries.

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# GREECE

## Tourism's 1981 Start Disappointing, but Officials Are Sanguine

**ATHENS** — Despite a disappointing start this year, Greek tourism officials are optimistic that the total of almost 5.3 million foreign visitors last year will be matched. At the same time, prospects have brightened for a larger influx of well-heeled travelers.

But the atmosphere of uncertainty that prevails in the tourism industry worldwide has made itself felt in Greece. The number of tourists jumped sharply at Easter, but a monthlong strike by technicians of Olympic Airways, the national carrier, cut into early summer arrivals.

"Because of the world economic situation, it's hard to make any kind of forecast for this sector. But we do expect perhaps a 20-percent increase in American and possibly a 3-percent increase in British tourists this year," said Prof. George Daskalakis, president of both the Greek national tourist organization (EOT) and the permanent tourism commission of the Organization for Economic Cooperation and Development. "We should exceed last year's \$1.78 billion income from tourism, but we don't know by how much," he said.

**'Selective Destination'**

Arrivals during the first quarter of 1981 fell by 20 percent compared with last year, but the April total jumped by 22 percent, an indication that the continuing

strength of both the dollar and the pound sterling has encouraged Anglo-Saxon visitors, long the mainstay of tourism in Greece.

Prof. Daskalakis said that Greece is now fully developed for tourism, and rates as an expensive country to visit — "what we call a selective tourist destination." The result is an increase in quality tourism, which Greece has sought for years.

The growth area for up-market travel seems to lie in marine tourism, which brought in a record \$30 million in foreign exchange last year. In cooperation with the Ministry of Merchant Marine, EOT has embarked on a costly plan to improve marinas and construct new ones to create a chain of yacht facilities through the islands.

With more than 2,000 islands whose anchorages range from green, wooded inlets in the Ionian sea to the rocky beaches of the central Aegean, and a six-and-a-half month sailing season, Greece has some of the world's most sought-after cruising waters. "Our great advantages over the Caribbean are our unique ruins and the diversity of our islands," yacht broker and charterer Harry Tzalas said.

Of about 1,300 vessels available for charter in Greece, most are sailing boats less than 50 feet in length, or caiques, traditional Greek fishing boats. There are only a few truly luxurious yachts, which are always in demand.

Both the "bare boats," chartered



Valuable asset: Tourists visiting the Acropolis.

to experienced sailors without a crew, and the caiques, which can sleep up to 30 passengers, are fairly Spartan. "We have enough of these, but more and more clients are asking for a tycoon's floating palace, which costs upward of \$1,000 a day in charter," Mr. Tzalas said.

Cruise ships, both Greek and foreign, have long exploited the Aegean's combination of history, varied islands and brilliant blue water, but the cruise boom of the 1970s has leveled off, and no in-

crease is expected this season from the total of 100,000 passengers sailing out of Greek ports last year. Increased fuel costs and wage increases for crews have cut profit margins for the owners. Now, cruise operators seek special-interest cruises and even shipboard conferences to keep up passenger levels. They have also extended itineraries to Turkish, Israeli and even Red Sea ports.

"Cruising remains romantic, and we have people coming back year after year on different ships.

But the outlook is growing increasingly uncertain," said George Potamianos of Epirotiki lines, owners of Greece's largest cruise fleet.

One problem is that many Greek cruise ships are past their prime and owners are reluctant to build new vessels as the chances of recovering the outlay lessen. Conversion costs are prohibitive, Mr. Potamianos said.

### Flotilla Cruise

During the last three years, a trend in marine tourism has emerged: the flotilla cruise. Inexperienced yachtsmen sail in up to 12 small boats through a group of islands following a motorized main ship, which communicates by walkie-talkie and also serves as the galley. "It's what you might call the package tour version of yachting," said Nick Tsangalakis, a charterer who also operates a flotilla.

Introduced from the Caribbean, flotilla sailing is probably the most economical yachting vacation that can be found in the Aegean. About 25 fleets operate out of the island harbors within easy reach of Greece's international airports, cruising on pre-arranged courses for 10 days, leaving a few days free for independent sailing within call of the main ship.

The other side of quality tourism in Greece is winter vacationing, either on the ski slopes of Mount Parnassus, or in the mild climate of southerly islands like Rhodes and Crete.

**Heracles is one of the world's major cement exporters**

In 1980, Heracles General Cement, producer of Four Flag Brand Cements, ranked as one of the world's largest cement exporters. With a production of about 5 million tons a year, it is also a major cement producer. This capacity, along with the company's growing export capabilities, makes it a leading supplier to Mediterranean countries, the Near East and Africa. The export activity of Heracles goes much further than the supply of cement. With international partners Heracles General Cement, establishes terminals abroad manages ship, conveyor, ship, no cement carriers and operates this whole cement distribution network with terminals in Alexandria, Egypt, Damietta, Jeddah, Gzan, Haq in Saudi Arabia and Bony River in Nigeria. Thus the technical and managerial skills of the company make it possible to supply efficiently many markets which have difficult distribution problems.

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## Victory by Socialists Would Put Caramanlis in a Bind

**ATHENS** — With a Socialist victory increasingly considered a possibility in national elections next fall, many Greeks are focusing their attention on the role that President Constantine Caramanlis could play in the nation's political future.

Mr. Caramanlis, Greece's most prominent and respected conservative politician, became president a year ago after stepping down as premier and leader of the ruling New Democracy party. Should the Socialists come to power, he will find himself called upon to act as an impartial arbitrator between his natural allies and his onetime bitter political foes.

So far, the 74-year-old president has successfully avoided involvement in pre-electoral skirmishing between George Rallis, his successor as premier and the ruling party's leader, and Socialist leader Andreas Papandreu. But in the event of a Socialist victory, Mr.

he considers it his duty to assure that the country has a stable government and political tranquility. But the possibility that neither of the two major Greek parties might win sufficient support to permit the continuation of majority government is likely to enhance his role.

Two key issues on which the president and the Socialist leader could easily clash if Pasok, the Socialist party, came to power, are the European Economic Community and NATO. In the past, the Socialists have expressed doubts about the EEC and they favor withdrawing from NATO. But despite the risk to his own political stature in the event of a defeat, the president, sources say, would be inclined to use his constitutional right of referendum to prevent an upset in the Western commitments that he has always advocated. Such a step would create an unprecedented tussle over power between the president and the premier.

The Greek president's powers,

midway between the powerful French presidency and the largely ceremonial West German position, have been a point of discussion since the adoption of the 1975 Greek constitution. That document describes the president as "regulator of the regime," a sort of referee or arbitrator over the political process.

But the Greek opposition has always strongly condemned what has come to be known as the "presidential superpowers" even though the true scope is still largely a matter of interpretation. The constitution specifies that most of the president's decisions are to be made in consultation with the Council of the Republic, a body composed of former presidents and premiers, as well as with the ruling premier and opposition leader.

But the president can dissolve Parliament and call elections should he find that the elected body is in "obvious disharmony" with public sentiment. In the event

that neither of the two major parties succeeds in forming a government, he has the power to call on other candidates, even from outside the Parliament. Finally, he can resort to a referendum or reject a government's call for a referendum if he considers this to be in the national interest.

Mr. Caramanlis and many other Greeks feel that such provisions do not give the president excessive powers. But critics point out that, if disputes over the use of presidential powers have not arisen, this is largely because the first president under the new constitution, Constantine Tsatsos, was personally chosen by Mr. Caramanlis and made a point of keeping a low political profile.

The policy views of President Caramanlis and Premier Rallis are almost identical, whereas the potential strains that might result from a Pasok victory would be similar to those between a French president and a French parliament with a hostile majority.

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# GREECE

## The Plaka: Athens Planners Attempting to Turn Back the Clock

**A**THENS — When George Plytas was a little boy, the ancient Plaka neighborhood of Athens where he lived was a quiet residential area of narrow streets, tree-shaded plateias, or squares, and the two- or three-story neoclassical buildings constructed by Greeks after Athens became the newly independent country's capital in the 1830s.

Today Mr. Plytas heads the year-old Ministry for Housing, Planning and Environment. Backed by a staff of committed architects and city planners, he is trying to turn the clock back a bit with a plan to restore and clean up an area whose architectural and cultural integrity in recent years has been seriously threatened.

It is not going to be easy. Erasing the 20th century altogether is impossible, particularly in a country that is economically dependent on tourism. And commercial and political interests strongly resist a project that is intended, in Mr. Plytas' words, "to show what old Athens looked like and what Greek life used to be."

### Wine Barrels

In the days when Mr. Plytas was young, the Plaka — a settlement at least 3,000 years old that nestles in the shadow of the Acropolis — was a tranquil place where local residents, shopkeepers and artisans would often meet in the late afternoon in a quiet taverna for a glass of wine.

The new wine arrived and taverna owners and wine sellers dragged their own barrels out in the streets for refills. In late October or early November, when the wine had aged, a local festival was held. There was drinking, music and singing, but the atmosphere in no way resembled that created in recent years by blaring discotheques, tourist-trap nightclubs, and flashy storefronts and restaurants that the ministry is working to change or even remove.

A project begun under Stefanos Manos, the former deputy minister of public works who for all intents and purposes was Mr. Plytas' predecessor, decided through a detailed study of the area's 1,100 plots what buildings — about 42 percent — are to be preserved and restored, and set up rigorous specifications for rebuilding or changing the others. (Mr. Manos is now industry and energy minister.)

For millennia, the commercial, intellectual and political center of old Athens, this 35-hectare area of low, red-roofed buildings has — in one form or another — survived the onslaughts of history: the Persian Wars, the waves of invasions. But in recent decades the Plaka — which took its name from the large stone slab the Turks used in the 16th century to separate the neighborhood from the city's other administrative districts — has had other enemies to fight.

One, a problem for all of Athens, was the introduction of reinforced concrete into construction techniques in the 1930s, which led builders to destroy the old and replace it with the characterless new.

Another was the long-standing, single-minded obsession of archaeologists and classicists with Greece's antiquities. Until the 1950s, for example, the need to preserve the later architectural heritage had been almost ignored. And there were repeated requests by archaeologists, in part successful, to have sections of the Plaka removed in the quest for more of the ancient ruins.

That compulsion seems finally to have subsided. A few years ago, a plan to remove the early 19th-century houses of the small settlement known as Anafiotika, after the stonemasons from the island of Anafi who migrated there about 150 years ago, raised such an outcry that it was indefinitely postponed.

Tucked up high under the north wall of the ancient fortifications surrounding the Acropolis, the cluster of the Anafiotika houses is like a miniature time warp. One-story homes with whitewashed walls and red-tile roofs are divided by narrow, winding walkways. Old men in pajamas sit outdoors on ramshackle walls, elderly women dressed in black converse with neighbors, canaries sing from between the wooden bars of makeshift cages while the somewhat cooler Athens air carries the inviting smell of *dolmadakia*, stuffed vine leaves.

For the most part, in fact, Anafiotika has been spared the Plaka's greatest scourge, the pressure of commerce and tourism. Only a few hundred meters away are streets where the buildings' original facades have been almost

masked by rows of mass-produced tourist clothing and souvenirs.

Even worse are the entertainment places. Innumerable *zervonas*, each with blaring music, seek to entice the prospective foreign diner. Large neon signs broadcast the names of nightclub entertainers, one corner club with open doors features a sultry looking belly dancer, and there are also sex shops — magnets for pimps and drug dealers — the overall effect providing a brutal contrast with the simple wooden shutters and wrought-iron balconies of the original neo-classical buildings.

According to government architect Ketty Gartzos, the Plaka's problems have been caused largely by its location. Caught between the Acropolis and the commercial center of modern Athens, it has come under pressure.

The result has been the intrusion of office and apartment buildings, particularly on the area's periphery. A lack of investment capital for home improvement led over the years to the deterioration of many of the older houses and a consequent decline in the local population. But the real exodus — from 17,500 residents in 1961 to a low of 4,500 a decade later — came about in the late 1960s and early 1970s.

At that time, the mayor of the neighboring port of Piraeus decided to clean up his town and all the honky-tonk and vice-oriented elements moved to the Plaka, where property values and rents were low. The resulting noise and environmental change led many residents to leave.

The government's program seeks to change all this. Cars have been banned from at least half the Plaka streets, which are gradually being repaved in pedestrian-mall style. The Ministry of Culture has bought about 20 buildings that it plans to restore, while elsewhere, building regulations are being applied with increasing rigor to keep down the noise, and to persuade entertainment and restaurant owners to remove offensive signs and restore the original building facades.

The government has also earmarked about \$1.5 million for low-cost loans to property owners who agree to restore the selected landmark buildings. If opposition can be overcome, foreign-language signs will be removed or reduced in size and clothing displays will be moved back indoors.

Although some Athens architects and city planners believe that the program is proceeding too

slowly and accuse the government of watering down Mr. Manos' highly ambitious land-use reform plan for both the Plaka and greater Athens, Mr. Plytas insists that, for the Plaka at least, "we've gotten through the hard part." He predicted that in three or four years the Plaka project would be completed.

A longtime Plaka resident, Sonia Dallas, agrees that the project is slowly working and that "there is a fantastic improvement." The elimination of cars from the area, for example, has lessened pollution. "It feels cleaner, and finally my plants are growing again," she said. But there is still a lot to be done. The area is not policed enough and the government has still not acted to limit the number of tourist shops, which ought, she said, to be replaced with real handicraft shops such as those that used to be one of the area's attractions.

—SARI GILBERT

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## American School of Classical Studies Is 100 Years Old

By Andriana Ierodiakonou

**A**School of Classical Studies, a center of rigorous classical scholarship and archaeological excavation in Greece, will celebrate its 100th birthday this summer.

It is one of eight foreign archaeological missions in Greece, most of which were founded in the days when the great powers played more than a backstage role in Greek political and cultural life. According to other foreign scholars, the distinctive contribution of the American School in piecing together the jigsaw puzzle of ancient Greece lies in its meticulous, long-term studies of a half-dozen prehistoric and classical sites.

Physically, the school is a handsome neo-classical building set in one and a half acres of pines, olives and flowers amid concrete high-rises in the fashionable Kolonaki district. When the Greek government originally made a gift of the site it was on the outskirts of Athens. Carl Blegen, the excavator of Troy and the Mycenaean Palace of Nestor at Pylos, who first came to the school in 1910, once said: "We used to be practically in the country. The view in all directions was open and magnificent."

These days, about 100 students and faculty from U.S. and Canadian universities use the school as a graduate center abroad. About 20 students are admitted each year for a one-year graduate course. Another 40 — some undergraduates — join a six-week summer program, and the remainder are graduates doing research and established scholars.

"Classicists of Tomorrow" "We have the good fortune of seeing all the great classicists of tomorrow pass through our doors," said Colin Edmonson, Andrew W. Mellon professor of classical studies. "And the staff list reads like a who's who of famous scholars."

The American School was founded a century ago by a group of scholars from Harvard, Yale, Brown, Johns Hopkins and Cornell universities with an endowment of \$100,000, which has grown to more than \$8 million.

Apart from their teaching and research work, the school's archaeologists have conducted more than 50 excavations, including two major digs that have gone on every summer for decades — one in the

Agora, or marketplace, the focal center of classical Athens, and another in the ancient city of Corinth, capital of the Roman province of Greece.

This year, their 50th season, the archaeologists working in the Agora are concentrating their efforts on a search for the colonnaded structure, or stoa, where the fourth century B.C. philosopher Zeno liked to meet with his pupils, who subsequently became known as the Stoics. This area, the excavators say, was the heart of the ancient city, where the finest sculpture was displayed and important city records could be read, inscribed on tall stone slabs, or *stelai*.

Finds from the Agora are on display in the American-organized Agora museum, or stored in its basement as study material. The museum itself is a reconstruction of the second century B.C. stoa built by King Attalus of Pergamon, in modern Turkey, who studied in Athens when the city was no longer a political force to be reckoned with but remained a center of learning.

The ancient equivalent of a modern shopping center, the two-story stoa had survived to its full height at one end. Rebuilding it in the 1950s was an architectural challenge that cost \$1 million, a

gift from John D. Rockefeller Jr.

At Corinth, 85 years of excavation have uncovered several acres of temples, theaters, fountains and bathhouses. Generations of U.S. archaeologists have learned the techniques of excavation at Corinth, which has also been a jumping-off point for exploring sites in the same region, like the ancient port of Cenchireai and the Panhellenic sanctuaries of Isthmia and Nemea, where games like the ancient Olympics were staged.

Not confined to the classical past, the American School has also been responsible for unearthing some important prehistoric sites. At the Franchthi cave near Port Heli the excavators went down 35 feet through 25,000 years of history to find Mesolithic bones, seeds and stone tools and the earliest evidence for seafaring — chips of black volcanic glass imported from the Aegean island of Melos about 8,000 B.C.

John Caskey of Cincinnati University put the early Bronze Age on the archaeological map of mainland Greece, uncovering a huge terra-cotta-tiled building at Lerna near Argos that dated from about 2,200 B.C., and went on to excavate a Bronze Age town on the island of Kea.

In Crete, Harriet Boyd Hawes of

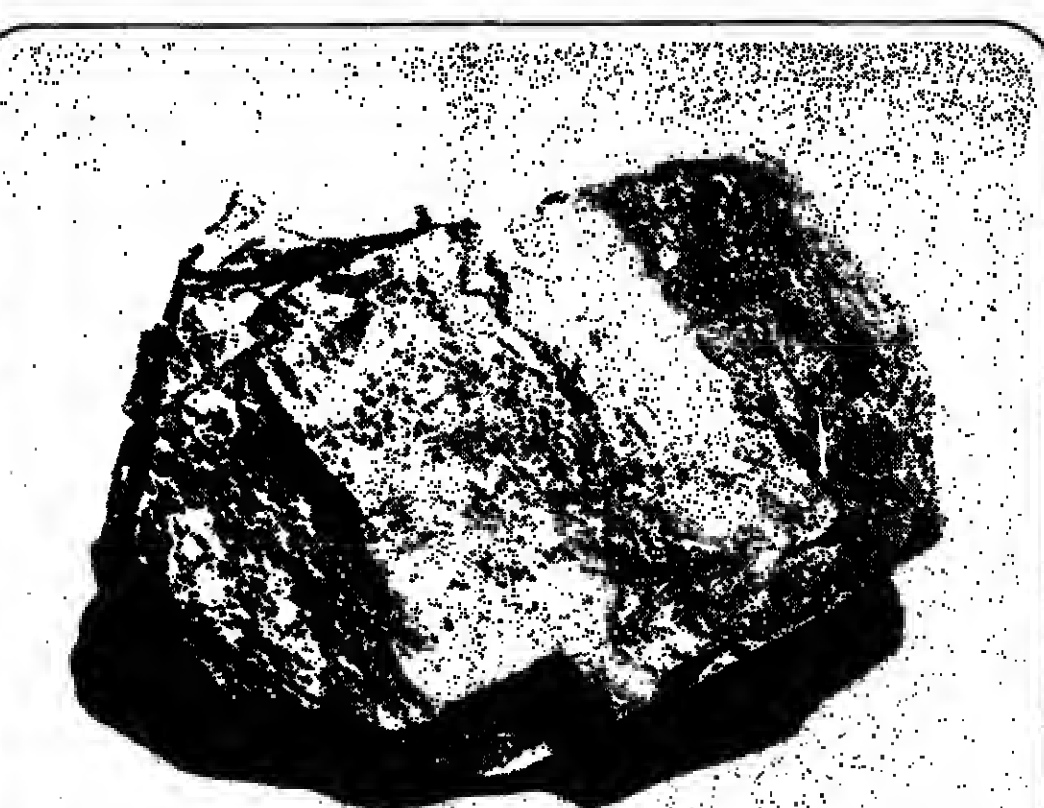
Smith college uncovered a complete Minoan town in the early 1900s.

Although Greek archaeologists appreciate the work of the foreign archaeological schools, public reaction may range from interest to hostility. Periodically the radical press accuses foreign archaeologists of trying to steal the antiquities they dig up, or of spying.

"We do meet anti-Americanism in the field," Prof. Edmonson said. "But the practice of *philoxenia* — hospitality — is still a strong tradition in Greece, and on the individual level we experience nothing but friendliness."

Recently the school has introduced material on medieval and modern Greece in its one-year program. Its director, Henry Immerwahr, believes that more emphasis on recent Greek history and culture is vital if the American School is to continue an innovative role in Greek studies.

"We must explore what the Greek heritage means to the world, and to America, today," he said. "For one of the school's major achievements is in providing a perception of Hellenism as a continuous phenomenon, appearing in many forms from the dawn of history to the present day."



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# GREECE

## Athens Is Becoming a Major Center for Middle East Business

By Gerard Castoriades

**A**THENS — Nowadays on a busy day at Athens' Hellenikon Airport, wealthy-looking Middle Eastern businessmen wind their way through crowds of tourists visiting Greece for their annual share of the sun. At the airport's east terminal, on a parking tarmac, sleek, elegant executive jets with Arab markings are ready to take off for Riyadh, Abu Dhabi or Amman.

Because of political developments since 1975, Athens is becoming a major international business center for the Middle East.

The war in Lebanon has forced scores of companies to leave Beirut. With Egypt now the black sheep of the Arab family, businessmen have felt it unwise to use Cairo as a substitute regional center. The revolution in Iran forced executives to leave Tehran. The Gulf war has imperiled the status of Baghdad. And Saudi Arabia's stiff regulations for foreigners have kept businessmen from settling their families there.

In other words, by a simple process of elimination, many companies doing business in the Middle East have been led to select Athens as the alternative to Beirut and other oriental centers.

The Levant has always needed a

cosmopolitan marketplace — a centrally located business area in a city where one can work but also entertain. Business in the Middle East, after all, is a very personal thing, pivoting around personal ties and conversation.

Athens' new Middle East vocation is now visible. Syngrou Avenue, one of the longest and busiest boulevards, is almost entirely devoted to Middle East business.

Statistics supplied by the Ministry of Coordination show that the number of commercial-industrial multinational companies setting up Middle East headquarters in Athens has increased eightfold, from 55 in 1975 to almost 400. Foreign marine companies have grown from 700 in 1976 to more than 900. "They are still pouring in," said Gordon Ball, chairman of the Athens Multinational Liaison Committee, a privately established bureau set up soon after the first displaced businessmen from Beirut landed on Greek shores.

"Many companies," he said, "came to Athens, stayed a few months or one year, and then left because they were dissatisfied with Greek officialdom's failure to cope with bureaucratic problems and increasing telephone service delays." Recently, in fact, both Chase Manhattan bank and First Boston pulled their Middle East opera-

tions out of Athens. "However," Mr. Ball added, "for every 30 companies who have been leaving Greece every year since 1976, about 75 companies settle in and many of those who left have come back."

Many companies have decided that, despite the red tape, language barriers, and other problems, Athens is the best compromise the area has to offer as a Middle East business center. "Where else could we go?" Lebanese consultant Walid Beydoun said. "Athens is only a one- to four-hour flight to anywhere in the Middle East, North Africa and Europe."

**Levantine City**

In many ways — in appearance and lifestyle — Athens itself is very much a Levantine city. Thousands of Athenians, the offspring of members of the Greek communities of Cairo, Alexandria, Beirut and Tripoli, speak fluent Arabic. And yet it is an integral part of Europe, a member-state of both the European Economic Community and NATO. Middle East-oriented businesses considering Athens as a possible base may also be influenced by the fact that Greece is currently the only EEC country that does not have full diplomatic relations with Israel.

For companies thinking of set-

ting in Athens, a deciding factor is often Law 89, tailored for offshore groups and considered by many to be one of the few positive legacies of the 1967-1974 military junta. This law was originally aimed at drawing back the Greek shipping tycoons and their fleets, who had settled in the United States, Britain or Monte Carlo. It allows any company to start an offshore business in Greece, free of corporate tax, provided that it will not compete with Greek companies on the Greek market, and will import a minimum of \$50,000 a year in foreign exchange.

The law also grants offshore company staff certain privileges, including duty-free cars. This, the government thought, would encourage shipowners to return to Piraeus, open offices, rent flats and create jobs. They were right, and additionally it brought a rush from the Middle East.

Law 89 companies now bring at least \$350 million a year into Greece, Mr. Ball said. They employ more than 2,500 Greeks in skilled jobs and at salaries as high as \$30,000 a year — "which is the top mark by Greek standards," he said. They also have generated business for Greek companies in the Middle East, and, vice versa, business in Greece for Middle Eastern groups.

Who has started a Middle East operation in Athens? The long list includes auto industries with their spare parts depots, aerospace and aviation groups, heavy industry and petrochemicals, consumer industries, engineers and architects, state-owned bureaus, and banks.

Curt C. Carlsson, the manager of Skandinaviska Enskilda Banken, Sweden's largest privately owned industrial bank, said that through Athens he does business in 11 countries in the Middle East, including Turkey and Afghanistan.

**Hotel Group**

The latest group to move into Athens — from Kuwait — is Marriott Hotels Corp. of Britain. Marriott Vice President John Davis-Slade said that the decision was made "because it is now important to establish an area base, and Athens is increasingly becoming a center for Middle East operations." Marriott will operate out of Greece four hotels in the Middle East — two in Riyadh, one in Dharan and a floating hotel in Kuwait — as well as two cruise boats on the Nile, and four more hotels under construction in Amman, Cairo, Luxor and El Arish, Egypt.

Athens also attracts people from the Middle East. There are more than 100 Arab-owned or joint

Arab-U.S. and Arab-European groups doing business in the Middle East from Athens, such as Consolidated Contractors, the largest Arab-owned construction group, with \$1.6 billion worth of contracts under way.

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## Tiny Eurocommunist Party Seeking a Greater Voice

**NEA SMYRNI** — "Marx was a Eurocommunist," the impassioned, grey-haired orator thundered from atop a makeshift platform hung with both the blue and white flag of Greece and the red and yellow hammer and sickle.

Below in the empty lot, a few meters away from one of several amusement parks in this middle class suburb, about 500 Athenians broke into enthusiastic applause. Homemade banners urging a vote "for the new people" bobbed as the bearers clapped vigorously, and red flags fluttered gently as the speaker — now strident, now persuasive — sought to rally his audience.

National elections are still months away but the small Eurocommunist party is seeking an early start with a campaign directed equally against the conservative government and its chief rival, the pro-Moscow Communists.

The consensus is that it may well be a losing battle. Unlike elsewhere in Western Europe, there are two Communist parties and so far the hard-liners have pulled in most of the votes. The smaller Eurocommunist party, KKES, known as the Greek Communist Party of

**Chief Foes Are Government and Pro-Moscow Group**

the Interior because its leaders were Communists who remained in Greece after the civil war rather than take refuge in the Eastern bloc, controls only about 2 percent of the popular vote and has only one deputy, its leader, Leonidas Kirkos, in the 300-member Parliament.

**Hard-Line Party**

"To be Eurocommunist, first you have to exist," scoffed a spokesman for the Communist Party, KKE, at the hard-line party's headquarters in Capodistria street in the commercial center of Athens. In the last elections, in 1977, the KKE won almost 10 percent of the vote and 11 seats in the single-house Parliament. Speaking at a press lunch in early June called to kick off the KKE's own campaign, party secretary Harilaos Florakis predicted that the vote this year — set for the fall — would bring gains for the party.

"We expect to double our seats," said Orestis Kolosof, a member of the KKE's secretariat-

and its chief spokesman for foreign affairs. He said that the "exterior" Communists, as others describe them, are "not concerned with ourselves and with our own strength, but with defeating the right." Nevertheless, a drive is under way to win the 17 percent that under Greece's skewed proportional representation system qualifies a party for the post-election second distribution of parliamentary seats and would thus enable the Communists, they say, to hold a balance of power between the conservative New Democracy party and the dynamic Panhellenic Socialist Movement, Pasok.

Observers do not believe that the KKE will reach this goal, but they foresee some advances for the hard-liners and only little chance of improvement for the Eurocommunist. "They are fighting for their lives," an influential Greek journalist said, expressing what appears to be a widespread opinion.

There is general agreement among non-Communists in Greece that the hard-line Communists are among the most pro-Moscow in Western Europe. "It's rather surprising," a high-level West European diplomat said, "One would think that what the Eurocommunist are saying would ring bells here, but except for the intelligentsia they really don't."

they say, makes inflexible opposition to both NATO and the European Economic Community a historical necessity. "To get rid of the right and bring change, forward toward the second distribution [of seats]," says a campaign poster prepared for an April-May election fund drive that Mr. Florakis said netted the party about 227 million drachmas.

Money, in fact, appears to be one of the major differences between the two parties. While the KKE is finding it hard to come up with sufficient funds — "We are squeezing our resources to the greatest extent possible," a party spokesman said, adding that "poverty is the price of independence" — it is widely believed that the KKE is at least partially funded by Moscow. But there is also general acknowledgment that the KKE Communists have demonstrated superior organizational skills. They have considerable strength in big cities and recently boosted their share of the vote in Greek university student elections to 30 percent.

Greece began to resent the orders they received from abroad.

In 1968, following the Soviet invasion of Czechoslovakia, the party split into two wings. There was a brief reconciliation in 1974 when, after the fall of the military junta, the party was legalized and ran a joint electoral ticket, but since then the two groups have been almost continually at loggerheads.

Under the leadership of Mr. Kirkos, the Eurocommunist party has been trying to persuade Greek Communists that polarization can be dangerous and that analysis is better than emotional catch-all slogans. But so far their major success has been to convince non-Communists that "it would be nice" if it were they who had the KKE's strength.

— SARI GILBERT

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531	13 1/2% 1981 Jun	10 1/2	10 1/2	103.75	15 1/2	
532	13 1/2% 1981 Jun	10 1/2	10 1/2	103.75	15 1/2	
533	13 1/2% 1981 Jun	10 1/2	10 1/2	103.75	15 1/2	
534	13 1/2% 1981 Jun	10 1/2	10 1/2	103.75	15 1/2	
535	13 1/2% 1981 Jun	10 1/2	10 1/2	103.75	15 1/2	
536	13 1/2% 1981 Jun	10 1/2	10 1/2	103.75	15 1/2	
537	13 1/2% 1981 Jun	10 1/2	10 1/2	103.75	15 1/2	
538	13 1/2% 1981 Jun	10 1/2	10 1/2	103.75	15 1/2	
539	13 1/2% 1981 Jun	10 1/2	10 1/2	103.75	15 1/2	
540	13 1/2% 1981 Jun	10 1/2	10 1/2	103.75	15 1/2	

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Am	Security	% Mat	Yield	Price	Life	Cur
541	Australia	10 1/2	10 1/2	103.75	15 1/2	
542	Australia	10 1/2	10 1/2	103.75	15 1/2	
543	Australia	10 1/2	10 1/2	103.75	15 1/2	
544	Australia	10 1/2	10 1/2	103.75	15 1/2	
545	Australia	10 1/2	10 1/2	103.75	15 1/2	
546	Australia	10 1/2	10 1/2	103.75	15 1/2	
547	Australia	10 1/2	10 1/2	103.75	15 1/2	
548	Australia	10 1/2	10 1/2	103.75	15 1/2	
549	Australia	10 1/2	10 1/2	103.75	15 1/2	
550	Australia	10 1/2	10 1/2	103.75	15 1/2	

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### Canadian \$50,000,000

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Am	Security	% Mat	Yield	Price	Life	Cur
551	Canada	10 1/2	10 1/2	103.75	15 1/2	
552	Canada	10 1/2	10 1/2	103.75	15 1/2	
553	Canada	10 1/2	10 1/2	103.75	15 1/2	
554	Canada	10 1/2	10 1/2	103.75	15 1/2	
555	Canada	10 1/2	10 1/2	103.75	15 1/2	
556	Canada	10 1/2	10 1/2	103.75	15 1/2	
557	Canada	10 1/2	10 1/2	103.75	15 1/2	
558	Canada	10 1/2	10 1/2	103.75	15 1/2	
559	Canada	10 1/2	10 1/2	103.75	15 1/2	
560	Canada	10 1/2	10 1/2	103.75	15 1/2	

## HIGHEST YIELDS to Average Life Below 5 Years

Am	Security	% Mat	Yield	Price	Life	Cur
561	Denmark	10 1/2	10 1/2	103.75	15 1/2	
562	Denmark	10 1/2	10 1/2	103.75	15 1/2	
563	Denmark	10 1/2	10 1/2	103.75	15 1/2	
564	Denmark	10 1/2	10 1/2	103.75	15 1/2	
565	Denmark	10 1/2	10 1/2	103.75	15 1/2	
566	Denmark	10 1/2	10 1/2	103.75	15 1/2	
567	Denmark	10 1/2	10 1/2	103.75	15 1/2	
568	Denmark	10 1/2	10 1/2	103.75	15 1/2	
569	Denmark	10 1/2	10 1/2	103.75	15 1/2	
570	Denmark	10 1/2	10 1/2	103.75	15 1/2	

## HIGHEST YIELDS to Average Life Above 5 Years

Am	Security	% Mat	Yield	Price	Life	Cur
571	Denmark	10 1/2	10 1/2	103.75	15 1/2	
572	Denmark	10 1/2	10 1/2	103.75	15 1/2	
573	Denmark	10 1/2	10 1/2	103.75	15 1/2	
574	Denmark	10 1/2	10 1/2	103.75	15 1/2	
575	Denmark	10 1/2	10 1/2	103.75	15 1/2	
576	Denmark	10 1/2	10 1/2	103.75	15 1/2	
577	Denmark	10 1/2	10 1/2	103.75	15 1/2	
578	Denmark	10 1/2	10 1/2	103.75	15 1/2	
579	Denmark	10 1/2	10 1/2	103.75	15 1/2	
580	Denmark	10 1/2	10 1/2	103.75	15 1/2	

## HIGHEST CURRENT YIELDS

Am	Security	% Mat	Yield	Price	Life	Cur
581	Denmark	10 1/2	10 1/2	103.75	15 1/2	
582	Denmark	10 1/2	10 1/2	103.75	15 1/2	
583	Denmark	10 1/2	10 1/2	103.75	15 1/2	
584	Denmark	10 1/2	10 1/2	103.75	15 1/2	
585	Denmark	10 1/2	10 1/2	103.75	15 1/2	
586	Denmark	10 1/2	10 1/2	103.75	15 1/2	
587	Denmark	10 1/2	10 1/2	103.75	15 1/2	
588	Denmark	10 1/2	10 1/2	103.75	15 1/2	
589	Denmark	10 1/2	10 1/2	103.75	15 1/2	
590	Denmark	10 1/2	10 1/2	103.75	15 1/2	

Am	Security	% Mat	Yield	Price	Life	Cur
591	Denmark	10 1/2	10 1/2	103.75	15 1/2	
592	Denmark	10 1/2	10 1/2	103.75	15 1/2	
593	Denmark	10 1/2	10 1/2	103.75	15 1/2	
594	Denmark	10 1/2	10 1/2	103.75	15 1/2	
595	Denmark	10 1/2	10 1/2	103.75	15 1/2	
596	Denmark	10 1/2	10 1/2	103.75	15 1/2	
597	Denmark	10 1/2	10 1/2	103.75	15 1/2	
598	Denmark	10 1/2	10 1/2	103.75	15 1/2	
599	Denmark	10 1/2	10 1/2	103.75	15 1/2	
600	Denmark	10 1/2	10 1/2	103.75	15 1/2	

## HIGHEST CURRENT YIELDS

Am	Security	% Mat	Yield	Price	Life	Cur
601	Denmark	10 1/2	10 1/2	103.75	15 1/2	
602	Denmark	10 1/2	10 1/2	103.75	15 1/2	
603	Denmark	10 1/2	10 1/2	103.75	15 1/2	
604	Denmark	10 1/2	10 1/2	103.75	15 1/2	
605	Denmark	10 1/2	10 1/2	103.75	15 1/2	
606	Denmark	10 1/2	10 1/2	103.75	15 1/2	
607	Denmark	10 1/2	10 1/2	103.75	15 1/2	
608	Denmark	10 1/2	10 1/2	103.75	15 1/2	
609	Denmark	10 1/2	10 1/2	103.75	15 1/2	
610	Denmark	10 1/2	10 1/2	103.75	15 1/2	

## HIGHEST CURRENT YIELDS

Am	Security	% Mat	Yield	Price	Life	Cur
611	Denmark	10 1/2	10 1/2	103.75	15 1/2	
612	Denmark	10 1/2	10 1/2	103.75	15 1/2	
613	Denmark	10 1/2	10 1/2	103.75	15 1/2	
614	Denmark	10 1/2	10 1/2	103.75	15 1/2	
615	Denmark	10 1/2	10 1/2	103.75	15 1/2	
616	Denmark	10 1/2	10 1/2	103.75	15 1/2	
617	Denmark	10 1/2	10 1/2	103.75	15 1/2	
618	Denmark	10 1/2	10 1/2	103.75	15 1/2	
619	Denmark	10 1/2	10 1/2	103.75	15 1/2	
620	Denmark	10 1/2	10 1/2	103.75	15 1/2	

Am	Security	% Mat	Yield	Price	Life	Cur
621	Denmark	10 1/2	10 1/2	103.75	15 1/2	
622	Denmark	10 1/2	10 1/2	103.75	15 1/2	
623	Denmark	10 1/2	10 1/2	103.75	15 1/2	
624	Denmark	10 1/2	10 1/2	103.75	15 1/2	
625	Denmark	10 1/2	10 1/2	103.75	15 1/2	
626	Denmark	10 1/2	10 1/2	103.75	15 1/2	
627	Denmark	10 1/2	10 1/2	103.75	15 1/2	
628	Denmark	10 1/2	10 1/2	103.75	15 1/2	
629	Denmark	10 1/2	10 1/2	103.75	15 1/2	
630	Denmark	10 1/2	10 1/2	103.75	15 1/2	

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## Uncertainty Haunts AT&T Restructuring

By Merrill Brown  
*Washington Post Service*

WASHINGTON — While the Reagan administration, Congress and the federal courts are considering moves that will alter the future shape of American Telephone & Telegraph, the Bell System is quietly moving ahead with a massive restructuring program that will alter the relationship between users of the nation's 145 million AT&T telephones and the phone company.

At stake is the transfer of \$10 billion to \$15 billion of AT&T assets and at least 100,000 of the company's 1.04 million employees to a new AT&T subsidiary, popularly referred to as "Baby Bell." The new company will sell deregulated equipment, ranging from conventional home telephones to sophisticated switchboards or PBXs and ultimately "enhanced" or computer and data processing services.

In total, the reorganization — under a mechanism announced by AT&T last August — may well be as AT&T Chairman Charles Brown said recently, "more massive than any undertaken in so short a time by any other American industry."

The program was required by the Federal Communications Commission and must be completed by next March 1. It is moving forward despite serious and potentially protracted legal challenges to the commission's order and despite the Justice Department's antitrust suit here that could wipe out the entire basis for the company's restructuring.

"Whatever we plan will require a lot of fine-tuning," said Morris Tannenbaum, AT&T's executive vice president and the Bell System executive responsible for planning. "It is a very tenuous time and that is why we are so anxious to have the matter settled. We need to know what the rules of the game are going to be so that we direct our energies to the telecommunications business of the future."

**Dramatic Changes**

No less complex than the purely internal restructuring are the dramatic changes that the moves will have on U.S. consumers and the 61 million homes and more than eight million businesses served by AT&T. For example, virtually all customers of AT&T and its 23 local operating companies will — if and when the plan takes effect —

no longer receive simply one monthly bill for telephone services. Instead, residential and business customers will receive two bills, in essence one for equipment and a second for services. Questions about those bills will have to be handled separately by different telephone company offices.

Although it is not required under the FCC decision, there is even some talk within AT&T that the basic structure of the company — with AT&T's New York headquarters overseeing the 23 local operating companies — may change, with a consolidation of those companies possibly in the works. "I wouldn't be surprised to see a continuing evolution in the form of the operating companies," Mr. Tannenbaum said.

In addition, despite the fact that the FCC decision does not change the basic structure of AT&T's equipment subsidiary, Western Electric, Bell's planners are moving ahead with plans to do just that, in line with a similar legislative proposal now under consideration by the Senate Commerce Committee. A Western Electric restructuring would mean a breakup of the company's factory operations, again separating the

(Continued on Page 19, Col. 5)

## Newspapers See Future in Cable

By N.R. Kleinfeld  
*New York Times Service*

NEW YORK — In the old days of a few years ago, executives of newspaper chains traveled around the country buttonholing the proprietors of local independent papers. Join our stable of dailies, was their call. As they carried out their work, executives from Knight-Ridder might bump into emissaries of Times Mirror or somebody from Newhouse.

Things have changed. Though the thinning supply of independent papers continues to be pursued, these newspaper leaders are probably more apt to collide with one another coming out the doors of cable television companies.

Just as newspaper groups were among the first to invest in television several decades ago, now they are increasingly sinking eye-opening sums of money into cable systems, which loom as at least partial rivals to the papers now buried onto stoops.

Everybody, it seems, is dashing into cable: Time Inc., Westinghouse, American Express, Warner Communications, to name a few big entrants. Five of the nine largest cable acquisitions, however, have been made by newspaper groups, and most major chains are aggressively staking cable claims.

In moving into cable, newspaper publishers are hedging their bets. "Nobody's real sure what kind of competition cable will offer to the newspaper franchises," said John Morton, a newspaper analyst with John

(Continued on Page 19, Col. 5)

### Cable TV Interests of Major Newspaper Companies

Dollar value of interests in cable TV (headquarters in parentheses) and total subscribers as of April 30, 1981.

Company	Headquarters	Value of Interests	Total Subscribers
The Times Mirror Company	Irvine, Calif.	655,000	655,000
Newhouse Group	New York City	550,000	550,000
Capital Cities Communications	Columbus, Ohio	254,000	254,000
Landmark Communications	Norfolk, Va.	246,000	246,000
Tribune Company	Mahwah, N.J.	85,000	85,000
The New York Times	Audubon, N.J.	70,000	70,000

## Euromarket Record Set in 1st Half of '81

By Carl Gewirtz  
*International Herald Tribune*

PARIS — Despite mounting complaints from bankers that ever-narrowing margins on Eurocurrency credits make it unprofitable to stay in the market, the volume of business transacted in the first six months of this year hit a record \$36.93 billion.

The figures, compiled by Morgan Guaranty Trust, show an increase of 16.5 percent from the first six months of last year and an increase of 3 percent over the previous first-half record of \$36.93 billion set in 1979.

The non-oil producing developing countries once again were the largest group of borrowers, taking \$16.96 billion in the first half compared with the \$15.83 billion lent to industrial countries. A year ago, for both the first half and the year overall, lending to developed countries ran about 60 percent ahead of the volume lent to NOPECs.

The volume of NOPEC loans rose 79 percent from the year-ago period, which was artificially depressed as borrowers held back awaiting a drop in interest rates, and were 10 percent ahead of the previous record first-half pace of 1979.

Loans to industrialized countries were a record, up 64 percent from a year ago, up 49 percent from the first six months of 1979 and 3 percent ahead of the previous record set in the first half of 1978.

**OEPEC Loans Down**

Loans to OPEC countries totaled \$4.05 billion, down from the \$6.97 billion a year earlier and the \$5.6 billion borrowed in the 1979 first half.

Communist countries borrowed \$1.1 billion so far this year, up from \$931 million a year ago but still well below the record \$5.2 billion borrowed in the first six months of 1979.

Rounding out the total was \$70 million lent to international organizations, down from the record \$409 million taken in the year-ago period.

The five biggest borrowers were Mexico, Italy, Brazil, Venezuela and Spain.

Mexico displaced Venezuela as the largest single borrower and remains the largest NOPEC borrower with a total of \$4.85 billion so far this year against \$2.18 billion in the year-ago period. Morgan has not included the \$4 billion two-year bankers' acceptance facility just completed for Mexico, because that is considered a domestic U.S. loan.

In the NOPEC category, Brazil is a distant second, taking \$2.61 billion against \$1.3 billion in the year-ago half. South Korea displaced Argentina for third place, taking \$1.41 billion compared with \$1.1 billion a year ago. Argentine borrowing dropped to \$932 million from \$1.19 billion.

Loans to the Ivory Coast jumped almost elevenfold, to \$337 million from \$29 million a year earlier. Big increases were also

### SYNDICATED LOANS

scored by Taiwan (\$601 million compared with \$64 million a year earlier), Malaysia (\$585 million compared with zero), Colombia (\$443 million against \$106 million), India (\$200 million versus \$90 million) and Hong Kong (\$460 million against \$253 million).

Venezuela far outdistanced Nigeria as the largest OPEC borrower. Together, the two accounted for three-quarters of total loans in this category. Venezuela took \$2.1 billion, down from \$4.58 billion a year earlier, and Nigeria borrowed \$782 million compared with \$443 million.

Among the Communist states, Hungary (\$550 million versus \$249 million) and East Germany (\$400 million against \$76 million) accounted for the bulk of the borrowing.

Among the industrial countries, Italy remains the largest borrower with a total of \$3.76 billion, up from \$2.52 billion in the year-ago half. Spain retains second place with a total of \$2.25 billion, down slightly from the \$2.3 billion of a year ago. France jumped into third place with \$2.01 billion, up sharply from the \$611 million a year ago but about in line with its \$1.6 billion in the first half of 1979.

**Italian Effort**

Because Italy is such a big borrower and because bankers have waited so long about the unnecessarily chaotic conditions resulting from Italian entities vying with one another for cash at the same time, bankers will no doubt welcome news that the Italian authorities are studying ways to make

(Continued on Page 17, Col. 1)

## Dollar Issues Dominate Eurobond Market in 1st Half

By Carl Gewirtz  
*International Herald Tribune*

PARIS — Record-high interest rates in all sectors of the Eurobond market failed to have any significant impact on the volume of business transacted so far this year, figures compiled by Morgan Guaranty Trust show.

First-half volume of \$12.22 billion is a scant 1.6 percent below the record pace set in the first six months of 1980, when \$12.43 billion of Eurobonds were marketed. For a little perspective, this year's volume is 15 percent above the level set in the first six months of 1979 and is only 15 percent short of the total Eurobonds sold in all of 1978.

Equally startling, not to say ominous, is that issues denominated in U.S. dollars accounted for a whopping 83 percent of total new business so far this year.

Only once (on an annual basis) has the dollar accounted for a larger share of volume — 88 percent in

1967. Throughout the 1970s, the dollar portion of the market ranged from a low of 43.6 percent in 1975 to a high of 65.4 percent in 1977. Obviously, there has been a rare currency match between the preference of investors and borrowers this year.

What makes this ominous is that

**EUROBONDS**

the record high dollar interest rates are the U.S. government's major tool to throttle inflation, supposedly designed to inhibit the demand for cash. When such rates do not deter borrowers it must be concluded that they think rates are actually cheap and/or the high costs can be recouped through higher prices of their products.

Despite all the talk coming out of the United States about how fundamentally strong the dollar is poised to become, corporate treasurers are only intent on borrowing

in dollars, offering coupons that are up to 8 percentage points higher than those on non-dollar issues. Why should they be willing to pay so much more to borrow in a strong currency?

The unfortunate conclusion is that either the borrowers or the lenders have made a terrible blunder because while investors are pouring into dollar instruments, borrowers are saying the cost looks cheap.

To be sure, availability also plays a role, and the fact is that investors want dollar instruments and not other currencies.

But surely it says something when an institution such as the World Bank, which stopped selling dollar denominated public issues in mid-1977, returns to the dollar market in force — making its first Eurobond issues this year (\$800 million so far) and announcing plans to raise \$500 million in New York.

The doom sayers in New York,

reporting that M1-B growth rates for January and February have been lowered while April's were increased. The Fed reduced first-quarter average growth in shift adjusted M1-B by nearly two percentage points to minus 3/4 percent at an annual rate.

Few one new straight Eurodollar issues were announced last week.

Ford Credit Overseas Finance is raising \$150 million guaranteed by Ford Motor Credit Co. The four-year notes are being offered at par bearing a coupon of 16 percent. Despite the record-high coupon, the paper was reported to be moving slowly.

Trizec Corp. of Canada is seeking \$40 million for five years, offering a coupon of 16 percent. Pricing will be set June 30.

Natamas Overseas Finance sold its \$50 million, five-year issue at a price of 99 1/2 bearing a coupon of 15 1/2 percent to yield 15.89 percent.

(Continued on Page 17, Col. 2)

Salomon Brothers' economist Henry Kaufman and First Boston's Al Wojnilower, remain convinced that although there may be some near-term downturn in short-term U.S. interest rates, long-term rates will not decline and short-term rates are bound to set new highs within the next 12 months.

Mr. Kaufman's reiteration last week of his long-held views helped weaken bond markets, already groggy by the continued bounce in overnight money costs from a low of 16 1/2 to a high of 19 percent.

The late Friday news that the M1-B measure of the money supply in the latest week declined \$200 million — forecasts had ranged up to an increase of \$1 billion — had a minimal effect on New York bond prices. While the drop was not expected, the Federal Reserve also reported numerous "benchmark" revisions which left traders groping to make sense out of the data.

The revisions resulted in the Fed

### CURRENCY RATES

Interbank exchange rates for June 26, 1981 1981, excluding bank service charges.

	\$	£	D.M.	F.F.	Y.	Sw.	S.F.	D.K.
Australia	2.469	1.716	11.12	46.51	222.5	—	8.79	126.26
Belgium (B)	37.25	16.39	6.54	12.75	—	—	19.29	5.79
France (F)	2.469	1.716	11.12	46.51	222.5	—	8.79	126.26
Germany (D)	1.922	—	4.603	11.13	225.23	—	5.185	74.665
Italy (I)	1,164.70	2,314.50	490.00	208.32	—	—	448.86	24,203
Japan (Y)	—	—	1,986	6,491	6,720	0.886	3,777	8,225
Netherlands (G)	—	—	229.42	—	4,299.5	—	215.32	1,641.2
Portugal (E)	2,028	2,903	65,591	35,628	—	—	6,197	75,549
Spain (P)	1,625	8,501	2,924	4,867	1,229.40	—	2,804	4,378

Dollar Values

	Per	Per	Per	Per	Per	Per	Per	Per
	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
1,453	Australia	1,871	0.863	Israel sheqel	11.85	0.487	Sri Lanka	2,325
0.899	Austria schilling	14.95	0.044	Japanese yen	225.275	0.001	S. African rand	1,362
0.246	Belgium (B) franc	46.95	3.578	Kuwait (K) dinar	0.2617	0.014	S. Korea won	686.6
0.513	Canada	1,239	0.423	Malay, Singapore	2,225	0.0104	Spanish peseta	93.763
0.137	Denmark krone	7,375	0.161	Mar. Arab	0.775	0.194	Swedish krona	5,915
0.224	Finland mark	4.67	0.1254	Phil. peso	7.46	0.0278	Taiwan	34.26
0.212	Great Britain	1.716	0.5757	Port. escudo	484.0	0.0476	Thai baht	20.72
0.182	Hong Kong	5.645	0.799	Saudi riyal	3.14	0.272	U.S. dollar	3.072
1.523	Irish	0.8455	0.899	S.D.R.	1.473	—	—	—

5 Starline: 1,278 Irish p.

(a) Commercial form. (b) Amounts needed to buy one pound. (†) Units of 100. (‡) Units of 1,000.

## Genetic Engineering Begins to Change Face of U.S. Agriculture

By Ann Crittenden  
*New York Times Service*

NEW YORK — You don't have to lick your finger to tell which way the wind is blowing. Like a spring tornado, this season's enthusiasm over genetic engineering is sweeping over agriculture, one of the United States' biggest businesses and the nation's chief exporter.

The signs of a new industry in the making are everywhere. The names are big and the numbers huge — DuPont, Monsanto, Pfizer, Atlantic Richfield, Stauffer Chemical, Upjohn, Occidental Petroleum, and Ciba-Geigy, among others, are spending tens of millions of dollars to explore the agricultural applications of bio-engineering.

At the other end of the corporate spectrum a swarm of new companies have spawned, with exotic names like Calgene and Plant Genetics. The big three among these pioneers are Advanced Genetics Science of Bermuda and Greenwich, Conn., partly owned by Rohm & Haas; Agrigenetics, which is building a new laboratory for basic plant research in Madison, Wis.; and the International Plant Research Institute in San Carlos, Calif., which with the help of funds from Atlantic Richfield is exploring everything from plants that can grow in salt water to putting animal genes into plants to produce meat-like proteins.

"It all reminds me of the excitement over Lactile — everyone wants to believe in it," said one skeptic, Holly Shauer, head of the Department of Agriculture's competitive grants program, established in 1977 specifically to finance basic research in agriculture.

**Perennial Corn**

As the enthusiasts tell it, however, there will one day be perennial corn; crops that can fix their own nitrogen, thereby dispensing with expensive artificial fertilizer; potatoes and tomatoes on the same vine; and plants that tolerate the high levels of salt in heavily irrigated soil. And behind each vision lurks a multibillion-dollar market, waiting for the science.

"We think food will be in the 1990s what energy has been in the 1970s and 1980s," said A. Robert Abouod, Occidental's president, pointing out that the company's studies indicate a significant food shortage in the 1990s. (Occidental, in addition to purchasing Iowa Beef Processors earlier this month, has bought Zocon, a research group working on biological pest controls and the development of higher yielding staple crops such as soybeans and cotton.)

"We are going to make pork chops grow on trees," said Martin A. Apple, president of the International Plant Research Institute. That is a bit of a joke, he says, but adds that the nutritional equivalent of pork chops can indeed be reproduced in plants.

So far, the new techniques on which much of the current stir is based are applied mainly in the medical field, although here too, there can be an impact on the world's increasingly fragile food supply. A headline grabber earlier this month, for example, was the announcement of an effective vaccine based on gene-splicing technology that works against hoof and mouth disease, a major killer of livestock.

A huge, \$1,250-a-copy report released recently by the Chicago Group, a consulting firm, suggests the market for new agricultural products could outstrip the medical market by tens of billions of dollars.

**Decades Away**

Not everyone is so sure that those agricultural markets will readily be tapped, however. Although new developments are occurring almost weekly, many scientists in the field believe that the most ambitious technologies, including giving non-leguminous plants a nitrogen-fixing capability, and photosynthesis — enabling plants to absorb more light and therefore grow faster — are two decades or more away.

The problem is that plants are vastly more complicated than the bacteria that have been the object of most genetic work. A plant has as many as 10,000 genes, and desirable traits are a result of the interaction of many of them. And

successful methods of inserting foreign genes into plants have not yet been perfected. Genetic engineering techniques, in short, are far from being able to transplant families of genes that express different characteristics in higher organisms.

Moreover, even if an agricultural breakthrough is achieved, it will not necessarily have a commercial market. The Agriculture Department, for example, financed a project in which an academic expert on plant breeding came up with evidence that a higher protein content corn could be produced without reducing crop yield.

"But there was no market for that," Miss Shauer said. "Farmers aren't given a premium for protein." Until and unless a marketing reward is put in place, little will become of the scientist's research.

Indeed, while many of the nation's largest chemical, pharmaceutical, and oil companies are pouring money into genetic engineering on plants, most agribusinesses are staying on the sidelines.

**"Useful Tools"**

"DNA research may provide us with some useful tools for altering one or two genes, but it won't dramatically change the way we breed plants, or produce any miracles," said Thomas Urban, president of Pioneer Hi-Bred International, the nation's leading hybrid corn company. Pioneer's research focus, like

that of its less successful competitor, De Kalb, is on the development of hybrid seed in wheat and soybeans.

Such giants as Beatrice Foods, Carnation, and General Foods are also skeptical about the potential of the new technology, whether because of doubts about its feasibility, or traditional conservatism.

Most food companies have never invested much in basic research and development. But some are working on improving plants with well-established technology. Frito-Lay, the Dallas-based food processor which uses about 3 percent of the nation's potato supply, is using tissue culture and cloning techniques to develop a relatively disease-free potato. Similarly, Campbell's Soup is working on disease resistance in tomatoes.


Even many agricultural chemical producers are waiting until the

future looks a little clearer. "The hype has confused a lot of people into thinking that the problems in working with plants are more tractable than they are," said Thomas T. Bamford, head of research and development at the FMC Corp. "I'm not about to spend a lot of money just because the research is glamorous."

FMC has given Harvard biologist Frederick M. Ausubel \$190,000 for each of the next three years to pursue his work on improving the nitrogen-fixing ability of plants, but is shying away from putting money into in-house capability for such work.

But the companies that are betting on the new technologies believe that such attitudes are shortsighted and think that significant breakthroughs, with important commercial applications, can be achieved within 10 years.

This announcement appears as a matter of record only.



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March 1981

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International Bond Prices - Week of June 25

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston

Table of International Bond Prices. Columns include Amt, Security, % Mat, Price, Yield, and Avg Life. Sub-sections include DM STRAIGHT BONDS, AUSTRALIA, CANADA, DENMARK, GERMANY, GREECE, HOLLAND, IRELAND, ITALY, JAPAN, KOREA, MALAYSIA, MEXICO, NEW ZEALAND, NORWAY, POLAND, PORTUGAL, SOUTH AFRICA, SWEDEN, SWITZERLAND, THAILAND, U.K., U.S., and WESTERN EUROPE.

Table of Convertible Bonds. Columns include Amt, Security, % Mat, Price, Yield, and Avg Life. Sub-sections include AMERICA, EUROPE, and JAPAN.

Advertisement for BANCO NACIONAL DE ANGOLA. Features the Angolan coat of arms, the bank name in large letters, and details about a US \$30,000,000 term credit facility. Lists participating banks and agents.

Advertisement for HIGHEST CURRENT YIELDS. Promotes convertible bonds with yields over 10%. Includes a list of bond offerings and an explanation of symbols.

Advertisement for Mutual Funds. Lists various mutual fund options with their respective prices and yields. Includes a section for NEW YORK (AP) and a list of participating banks.



Film Firms' Summer Strategy Has Key Role in Profit Picture

By Pamela G. Hollic New York Times Service

LOS ANGELES — Last December, Warner Brothers decided that instead of releasing its new movie "Superman II" during the Christmas season, it would wait until summer. That strategy now seems to be paying off.

In a box-office-busting stretch ending June 21, "Superman II" led the industry to its biggest three-day tally ever, as six movies grossed \$45 million. The star performer, "Superman II," itself took in \$5.68 million June 20 and chalked up three-day receipts of \$14.1 million.

"What comes in the summer is very important to a studio," said Roy Furman of Furman, Selz, Mager, Dietz & Roy Inc., a New York brokerage firm. "When Warner Brothers decided not to release at Christmas, it made a significant seasonal adjustment. It paid off."

Blockbusters are what studios dream about and a big summer movie is worth 12 months of a steady run. In the space of a few weeks, a studio may build enough momentum to carry it through the year or many years. "Star Wars," which was released in May 1976, put 20th Century-Fox back into the movie business.

This season's six big movies so far are "Superman II," "Cannonball Run," from Fox; "Raiders of the Lost Ark," from Paramount; "Clash of the Titans," a joint venture of M-G-M and United Artists; "History of the World Part I," also Fox, and Columbia's "Chinatown" and "Chong's Nice Dreams."

The summer strategy is crucial to the movie industry, which has experienced a serious downturn in the last two years. Always the industry's most profitable and competitive period, the summer season has been extended beyond the eight weeks in July and August to incorporate the period from Memorial Day to Labor Day. Between that time, studios will make more than half their money.

With studios cutting back on the number of pictures released each year because of rising production costs and a shrinking audience, one big summer movie may make all

the difference between a great year and a poor one. And the verdict comes in quickly, usually in the first few days.

If a movie does not open to a big weekend, it runs the danger of being quickly forgotten. Besides, studios do not make money from sleepers — movies that catch on slowly but have long runs. Their biggest profits are made at the beginning of a film's run, when the reviews are fresh and the markets for toy, T-shirts and television resale are new.

A mistake in judgment or bad timing can be deadly, as Disney Productions learned when the company missed the space fantasy cycle and failed badly with "The Black Hole" in 1979. Warner Brothers made a similar mistake when it misjudged the market for a sequel to "The Exorcist."

The competition will be unusually stiff this summer for the 12- to 24-year-old audience, which makes up the majority of the summer moviegoers. Working against the studios will be the rising cost of tickets — now as high as \$5 because of inflation and the cost of film production — and the large selection of summer pictures this year.

The industry hopes that all of this strategy will help provide the turning point in the downturn and prove that the movie business is still viable. However, not all analysts are optimistic. The industry "looks healthier now," said Hal Vogel, at Merrill Lynch, "but under the surface, we may not be done with the downturns."

The industry has been depressed for the past two years. Fox's revenues, for example, dropped by 9 percent in 1979 and another 20 percent in 1980. MCA's and Columbia's feature films also dropped off in 1980, but the impact on total film sales was easily offset by television sales, which rose by 25 percent and 45 percent, respectively.

When the industry is on a streak, as it appears to be so far this summer, the good will generally flows into following months. With the big Fourth of July weekend coming up, studios are hoping that movie-going has become fashionable again and that movies soon to be released will benefit from the momentum.

Gross Revenues In the Opening Weekend For Some of the Summer's Hottest Films

Superman II \$14.1 million Distributor: Warner Brothers

Cannonball Run \$11.8 million Distributor: 20th Century-Fox

Raiders of the Lost Ark \$8.3 million Distributor: Paramount

Nice Dreams \$8.2 million Distributor: Columbia Pictures

Clash of the Titans \$6.6 million Distributor: United Artists

Bustin' Loose \$6.5 million Distributor: Universal Pictures

The Four Seasons \$5.5 million Distributor: Universal Pictures

History of the World Part I \$4.9 million Distributor: 20th Century-Fox

Japan Firm Sets U.S. Semiconductor Plant

By Thomas J. Lueck New York Times Service

SAN FRANCISCO — In what industry analysts are calling a bold move into the U.S. semiconductor market, a Japanese company, NEC Electronic U.S.A. Inc., has announced that it will build a huge semiconductor manufacturing plant in California.

NEC, a subsidiary of the Nippon Electric Co. of Tokyo, said Friday that it would invest \$100 million in the plant at Roseville, just north of Sacramento. It added

that the plant would open in early 1983, and that it would reach a peak monthly production level of 75,000 to 80,000 semiconductors by 1986.

The NEC plant is the first major semiconductor manufacturing facility to be owned by a Japanese company in this country. NEC, through three smaller Nippon Electric subsidiaries, has over the last 10 years gained a small share of the United States market by selling Japanese-made semiconductors here. NEC is Japan's second-largest manufacturer of semi-

conductors after the Matsushita Electric Co.

"The company is already a presence in the American market, and the new plant is considered a logical step to better serve that market," said Andrea Gregg, an NEC spokesman in Sunnyvale, Calif. She added that all semiconductors produced at the new plant would be sold in this country, and that NEC hoped to gain \$200 million in United States sales and a 10-percent share of the semiconductor market in this country by 1986. The United States market is led by Texas Instruments, National Semiconductor Corp. and Intel Corp.

Mrs. Gregg said that the principal product lines at the Roseville plant would include the most advanced, state-of-the-art semiconductors, the tiny, fingernail-sized integrated circuits used in computers, appliances and other electronic equipment.

Two of the products to be produced by NEC, known as the 64-K Random Access Memory and the 128-K Read Only Memory, are regarded in the electronics industry as the most advanced semiconductors available and those expected to experience the greatest demand over the next five years. These integrated circuits have twice the storage capacity — 64,000 and 128,000 pieces of data, respectively — as those currently on the market. U.S. companies have begun initial marketing for similar chips.

Industry analysts said that they had expected a Japanese company to move semiconductor production facilities into this country, but they added that they were surprised by the scale of the NEC project. At the rate of production announced by NEC, the analysts said that the plant would rank among the country's largest.

Steve Fields, a spokesman for National Semiconductor, one of the largest domestic semiconductor producers, said that the NEC announcement "simply reaffirms what we have known for some time — that the Japanese are very, very dedicated to becoming the dominant force in the worldwide semiconductor market."

UAE Oil Output Cut, Official Tells Paper

ABU DHABI — A United Arab Emirates government official was quoted Sunday as saying his country's crude oil production had been cut by a total of 255,000 barrels a day during the past six months.

Petroleum Ministry Undersecretary Shaiba al-Hameili said the output was reduced by 175,000 barrels a day after last month's output cut decision by the Organization of Petroleum Exporting Countries, the newspaper Al-Fajr reported. This, plus a previous cutback of 80,000 barrels a day last January to conserve oil, brought the UAE's daily production level to 1.43 million barrels a day, he said.

Tin Agreement Reached, But U.S. Role in Doubt

New York Times Service

GENEVA — A U.N. conference has completed the draft of a five-year agreement to maintain an orderly international market in tin, but U.S. acceptance of the pact remained doubtful.

U.S. officials who participated in the negotiations said Friday that the terms of the projected 6th International Tin Agreement left them with "serious concerns." However, they said that the final decision as to eventual U.S. adherence would be made in Washington after study.

The final draft was based on a "compromise package" on key issues that was authored by Peter Lai of Malaysia, chairman of the International Tin Council formed by the tin producer and consumer nations, including the United States, who are parties to the 5th pact that expires on June 30, 1982.

Most of the nations with a major interest in the tin trade accepted the "package" as the basis for an accord. However, the United States, the world's largest tin importer, objected that it did not guarantee that financing would be available for a projected "buffer stock" of 50,000 metric tons of tin to be used to cushion price movements on the world tin market. The United States also is uneasy

about the provisions for introducing limits on tin exports by producer nations as a method of bolstering sagging prices if they continue to fall below an agreed level, once 35,000 metric tons of tin have been taken off the world market by the buffer stock manager.

Washington wanted more reliance placed on buffer stock purchases for limiting price drops with exports controls to be invoked only as a "last resort."

Secretary of State Alexander M. Haig Jr. was pressed by the foreign ministers of Malaysia, Thailand and Indonesia when they met in Manila last week to have the United States accept the Lai proposals.

In response to the urgings, the United States made a last-ditch offer on the outstanding issues on Wednesday, but the Third World producer nations rejected it, insisting that it was too late to reopen the Lai compromise package.

Even if the United States refuses to join, the agreement can still enter into force because it can operate on a provisional basis for its entire five years, once nations accounting for 65 percent of world tin exports and 65 percent of tin imports have accepted it. The draft lists the United States as accounting for just under 27 percent of imports.

Eurocurrency Credits Set Record in First Half of 1981

(Continued from Page 15)

their trips to the market more orderly.

Officials say the central bank has been quietly playing a more active role in trying to induce borrowers to agree not to interfere with one another. "This is being done on a very informal basis," an official in Rome said. "To say we've set up queuing system is going a bit far. I'd rather talk about concentration and consultation between the authorities and the borrowers to avoid having a glut of Italian paper on the market."

"Any system adopted needs to retain a fair degree of flexibility," the official said. "You never know how long it will take to complete an operation and that timing may not suit the needs of a particular borrower waiting to come to market."

An interagency report on the subject is expected to be completed shortly, but the official said he doubted it would be made public. Meanwhile, Italian bankers say the current effort only affects operations of more than \$200 million.

That having been said, as Dillon Read puts together a syndicate for a \$500-million loan for Ferrovie dello Stato based on either Libor or the prime rate of U.S. banks, the Bank of Montreal is preparing an operation for up to \$400 million for the Italian utility ENEL based on the prime rate of either U.S. or Canadian banks.

Bankers report that Argentina's Yacimientos Petroliferos Fiscales has decided not to come to market for a planned \$150-million opera-

tion in the hopes that better terms could be had by letting some of the dust settle around Argentina's economic situation.

Malaysian Bids are being sought by Malaysia International Shipping Corp. for a \$140-million government guaranteed loan (expected with a split margin of 3/4-1/2 point over Libor) and by Cyprus for a tax sparing loan from U.K. banks of up to \$80 million.

Morocco's Samir, a government guaranteed refinery, is seeking \$50 million for 12 years with a split

spread of 3/4 point over Libor for the first five years and 3/4 point over thereafter. The very favorable terms (the government itself is paying a split 1/4-1/4 points over Libor for an eight-year loan) are explained by the companion (\$46-million equivalent) French and (\$27.5 million equivalent) Italian export credits that are very profitable for lenders.

From the Far East, Reuters reports that the Philippine central bank has awarded a mandate to three banks to raise \$100 million for 12 1/2 years (part of a \$250-mil-

lion loan package cofinanced by the World Bank). Lloyds Bank International, Long Term Credit Bank of Japan and France's Credit Agricole are lead managers. A split rate of 3/4 point over Libor for the first six years rising to 1/2 point thereafter is being offered.

Papua New Guinea has awarded a mandate to five banks to raise \$100 million for 10 years with interest set at 1/2 point over Libor for the first six years and 3/4 point over Libor thereafter, a spokesman for Barclays Asia, one of the lead managers, reported.

Eurobonds Dominated by Dollar Issues

(Continued from Page 15)

In the floating rate sector, Tubos de Acero de Mexico, which supplies pipeline to the state oil company Pemex, is seeking \$80 million for eight years, offering to pay 3/4 point above the London interbank rate and guaranteeing a minimum coupon of 9% percent.

Also rumored in the wings is a \$75-million floating rate note for Pemex.

Both issues are really disguised syndicated loans. But because Mexico imposes a withholding tax on interest paid on loans and exempts interest paid on securities, FRNs are preferred by both borrower and lender.

Also reported to be in the wings is a \$30-million floater for Japan's Long Term Credit Bank.

In the convertible market, Furukawa Electric's 15-year issue was

increased to \$60 million from the \$50 million initially indicated. The coupon was set at 5 1/2 percent against an indicated 6-to-6 1/4 percent. The conversion price was set at 300 yen and the exchange rate fixed for the life of the issue at 224.75 yen to the dollar.

In the Deutsche mark sector, Renault sold 150 million DM of five-year notes at 9 3/4 percent bearing a coupon of 10 1/2 percent but was quoted at 9 3/4 as market operators geared for a renewed rise in rates to the 11-percent level.

The Mortgage Bank of Denmark is offering 100 million guilders of 10-year bonds bearing a coupon of 12 percent. The issue price will be set July 1.

Eurofina, the European railway finance agency, is raising 20 billion yen in the domestic Japanese market. The 12-year issue was priced

at 99.45 bearing a coupon of 8 1/2 percent to yield 8.593 percent.

Dow Chemical is reported to be planning to raise 20 billion yen on the Japanese capital market.

Eurobond Yields\*

Table with 2 columns: Instrument, Yield. Includes International institutions (14.42%), Industrials, long term (13.85%), Industrials, medium term (14.59%), Canadian dollars, medium term (14.91%), French fr. medium term (17.29%), Unit of acc. long term (10.73%).

Market Turnover

Table with 3 columns: Instrument, New-dollar equivalent, Eurodollar. Includes Codel (3,457.1), Eurod. (6,145.3), New-dollar (2,498.6), Eurodollar (5,624.3).

New Issue June 29, 1981

All of these notes having been placed, this announcement appears for purposes of record only.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT Washington, D.C.

U.S. \$ 500,000,000 14 3/8% U.S. Dollar Notes of 1981, due 1986

- Deutsche Bank Aktiengesellschaft, Credit Suisse First Boston Limited, Algemeene Bank Nederland N.V., Banque de Paris et des Pays-Bas, Kuwait Investment Company (S.A.K.), Morgan Stanley International, Nomura International Limited, Salomon Brothers International, Swiss Bank Corporation International Limited, S.G. Warburg & Co. Ltd.

- Alahil Bank of Kuwait (K.S.C.), Arnhold and S. Bleichroeder, Inc., Banca Commerciale Italiana, Bank Julius Baer International Limited, Bank Mees & Hope NV, Banque Bruxelles Lambert S.A., Banque de l'Indochine et de Suez, Banque de Neufchatel, Schlumberger, Mallet, Baring Brothers & Co. Limited, Bayerische Vereinsbank Aktiengesellschaft, Berliner Bank Aktiengesellschaft, Calsons des Depots et Consignations, Chase Manhattan Limited, Citicorp International Bank Limited, Credit Commercial de France, Credit de Nord, DeBriek & Co., Dominion Securities Limited, Eurobolsiare S.p.A., Genossenschaftliche Zentralbank A.G. Vienna, Goldman Sachs International Corp., Hezische Landesbank - Girozentrale, Industriebank von Japan (Deutschland) Aktiengesellschaft, Kuhn Loeb Lehman Brothers International, Inc., Lazard Brothers & Co., Manufacturers Hanover Limited, Merrill Lynch International & Co., Morgan Guaranty Ltd, Norddeutsche Landesbank Girozentrale, Orion Bank Limited, J. Henry Schroder Wegg & Co. Limited, Societe Generale, Svenska Handelsbanken, Westfalenbank Aktiengesellschaft, A.E. Ames & Co. Limited, Atlantic Capital Corporation, Banca del Gottardo, Bank Gutzwiller, Kurz, Bungeger (Overseas) Limited, Bank of Tokyo International Limited, Banque Francaise du Commerce Extérieur, Banque Internationale de Luxembourg S.A., Banque de l'Union Européenne, Bayerische Hypothek- und Wechsel-Bank Aktiengesellschaft, Bear Stearns & Co., Berliner Handels- und Bank Aktiengesellschaft, James Capel & Co., Chemical Bank International Limited, Commerzbank Aktiengesellschaft, Credit Industriel d'Alsace et de Lorraine, Creditanstalt-Bankverein, DG Bank, Deutsche Genossenschaftsbank, Dresdner Bank Aktiengesellschaft, Effectenbank-Warburg Aktiengesellschaft, Gefina International Limited, Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft, Handelsbank N.W. (Overseas) Limited, E.F. Hutton International Inc., Kleinwort, Benson Limited, Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.), Lloyds Bank International Limited, McLeod Young Weir International Limited, Samuel Montagu & Co. Limited, National Bank of Abu Dhabi, Norddeutsche Landesbank Girozentrale, Pierson, Holding & Pierson N.V., Skandinaviska Enskilda Banken, Smith Barney, Harris Upham & Co. Incorporated, Societe Ségurienne de Banque, Vereins- und Westbank Aktiengesellschaft, Wood Gundy Limited, Amro International Limited, Bache Halsey Stuart Shields Incorporated, Bank of America International Limited, Bank Leu International Ltd., Bankers Trust International Limited, Banque Générale du Luxembourg S.A., Banque Nationale de Paris, Banque Worms, Bayerische Landesbank Girozentrale, Bregen Bank, Blyth Eastman Paine Webber International Limited, Cazenove & Co., Christiania Bank og Kreditkasse, Continental Illinois Limited, Credit Industriel et Commercial, Daiwa Europe Limited, Dillon, Read Overseas Corporation, Drexel Burnham Lambert Incorporated, European Banking Company Limited, Antony Gibbs & Sons Limited, Hambros Bank Limited, Hill Samuel & Co. Limited, Kidder, Peabody International Limited, Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.), Lloyds Bank International Limited, McLeod Young Weir International Limited, Samuel Montagu & Co. Limited, National Bank of Abu Dhabi, Norddeutsche Landesbank Girozentrale, Pierson, Holding & Pierson N.V., Skandinaviska Enskilda Banken, Smith Barney, Harris Upham & Co. Incorporated, Societe Ségurienne de Banque, Vereins- und Westbank Aktiengesellschaft, Wood Gundy Limited, Yamaichi International (Europe) Limited

SENIOR EXECUTIVE POSITIONS

Published every Monday, this is a compilation of senior positions published in the INTERNATIONAL HERALD TRIBUNE and other selected publications. Comments concerning this feature can be addressed to Juanita Caspari in Paris.

Table with 7 columns: POSITION, SALARY, EMPLOYER, LOCAT., QUALIFICATIONS, CONTACT, Source. Lists various roles like FOREIGN EXCHANGE, MANAGEMENT ACCOUNTING, REAL ESTATE COMMERCIAL DIRECTOR, BANKER, AREA MARKETING MANAGER, REGIONAL VICE-PRESIDENTS, MANAGER PLANNING, MANAGER MINING SERVICES, SALES ENGINEER, PROCESS GROUP LEADERS, GENERAL MANAGER, OVERSEAS SALES & MARKETING EXECUTIVE, GENERAL MANAGER CORP. FINANCE, TECHNICAL SALES REPRESENTATIVE, HOLDING ACCOUNTANT.



NEW YORK (AP) - Weekly Over the Counter stocks showing the high, low, and last bid prices for the week with the net change from the previous week's last bid prices.

Over-the-Counter table listing various stocks with columns for 100s, High, Low, Last, and Net Change.

Over-the-Counter table listing various stocks with columns for 100s, High, Low, Last, and Net Change.

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BANCO HISPANO AMERICANO

Annual General Meeting held in Madrid on April 26th 1981

From the speech of the Chairman, Mr. Luis de Userra

"Policy for shares and resources in the forthcoming period includes a scrip issue of one share for every ten held, during May; another, with the same characteristics, in 1982, and an issue of bonds convertible into shares of the Bank. The yield on our shares will be maintained within the possibilities offered by the new regulations on bank dividends".

"After auditing the books of Banco Hispano Americano and its subsidiary companies, Arthur Andersen is issuing a favourable report on the Group's consolidated balance sheet, without any type of reserve or exception".

"The three main highlights of 1980 were: an increase in activity of all sectors of the Banco Hispano Americano Group, an increase of over 20% in profits, and great care in the adjustment and protection of assets".

"Whatever economic policy the Government adopts presupposes a profound conviction that we must all consciously assume our part in the general effort. The realities of the economy should not be a cause of negative pessimism, but rather for realizing the seriousness of the problems".

From the report of the Managing Director, Mr. Alejandro Albert

"The favourable trends in the Bank's results, with comparative data from the previous year are seen in the following figures:

Table showing Results of operations (Millions of Pesetas) for 1980 and 1979, with an increase percentage column.

"We have adopted the strategy within the Bank of taking specific actions for each segment of the market, and within the Group of developing new institutions that are more flexible and specialised, and less costly, so as to be able to act in all financial markets, and not only in the banking one".

"The announcements of preferential interest rates that for the past few weeks have been displayed in all bank offices, as a consequence of the Order freeing the financial system, are a sign of the transformation of the banking sector that obliges us to reconsider our position and adopt new lines of action for the future".

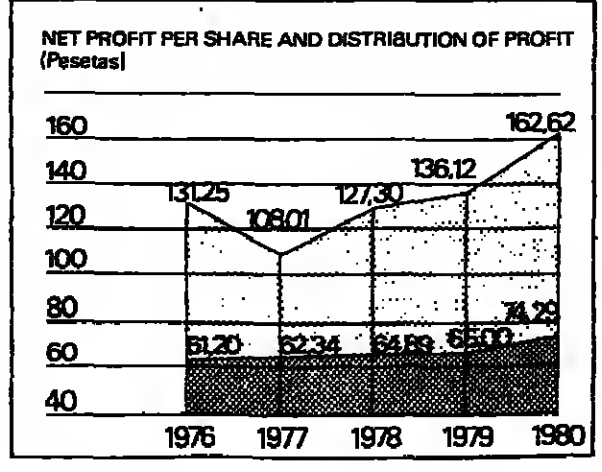
Financial operations in 1981

- Capital increase of one free share for every ten old ones, starting 5th May 1981. Issue of Liquidity Bonds (bonos de tesoreria) in the near future, convertible into shares of the bank.

Deposits.-Customers' Deposits increased by 121,582 million pesetas, a percentage growth of 18.2% on the basis of the average figures for the year.

Dividend and profit per share.- The total dividend per share is 74.29 pesetas, equivalent to 14.858% of the face value, and 9.29 pesetas higher than the amount paid in 1979. The yield in respect of dividend, on the price at the end of the year, was 7.27%.

Services.- The Bank has made a great effort to respond to companies' demands for more and better services. During 1980, 54 new offices were opened in Spain, bringing the total number of operational branches up to 1,284. Some 80% of all operations are now handled by computer. The last seven offices to be included in the teleprocessing network will soon be linked up. The transfer of office work to the Administrative Centres is almost completed. Newer means of payment have shown considerable progress, and a complete range of these facilities is offered (Diners, Visa, 48 and Autocheques), while in the near future a network of automatic cash machines will be put into service in cooperation with our partners in "Sistema 48, S. A."



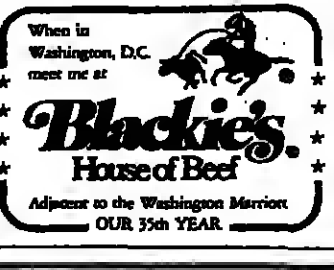
Personnel.- The high professional qualities and constant dedication of our personnel has again been reflected in the progress and results obtained by the Bank in 1980. Shares and Shareholders.- Over the last three years, an investment in the shares of Banco Hispano Americano has risen in value more rapidly than the average index of the Stock Exchange and Commercial Banks sector index. The high turnover of shares during the year (over 10% of shares in circulation), and the progressive widening of the shareholder base which includes over 200,000 shareholders, gives our shares a high degree of liquidity.

Loans and Advances.-The growth in bills discounted and loans was 60,725 million pesetas, an increase of over 13% on the basis of average annual figures. The Bank has also contributed to financing the public and private sectors, with 14,576 million pesetas in Investment Notes. Furthermore, the Bank has taken part in the underwriting and placing of loans amounting to 13,650 million pesetas, 30% over the 1979 figure.

Other companies of the Banco Hispano Americano Group.- During its first year, Banco Hispano Industrial has satisfactorily developed its activities as a wholesale merchant bank, obtaining excellent working profits. Banco Mercantil de Tarragona increased its profits by 88.5%. The volume of assets administered by Banif, S. A. amounts to 16,869 million pesetas, an increase of 38%. Corporación Financiera Hispamer has handled operations amounting to 14,510 million pesetas, 54% more than in 1979. The areas of real estate, specialised services and insurance had a satisfactory year.

International Activities.- The contribution of the international area to the year's profits increased by 40%, and amounted to almost one third of the total working profit. Foreign-Currency deposits increased by 33%. The Bank has participated in international loans amounting to 1,405 million dollars.

Large table of stock prices and market data, including columns for various stock symbols and their corresponding prices.

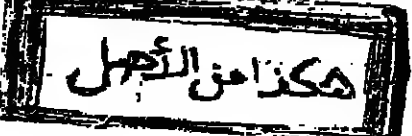


CAPE HAZE CONDOMINIUMS LIMITED. NOTICE TO HOLDERS OF PROMISSORY NOTES 1977. A meeting is called for July 14th, 1981, at 14:15, in the offices of Mr. Rolf A. Bracher, attorney-at-law, 9, rue de la Fontaine, 1204 Geneva/Switzerland, to discuss the redemption of the notes.

SARAKREEK HOLDING N.V. 595 Herengracht, Amsterdam, Netherlands. Issue of up to 1,550,000 new shares offering price US \$ 32.50 per share. payment on July 15, 1981 in US \$ or, at the option of subscribers, in guilders at Dfls. 86.74 per share (basis Amsterdam official quotation June 26, 1981: US \$ = Dfls 2.6690).

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Over-the-Counter

Table of stock prices for various companies including AT&T, IBM, and others.

Krediet Index table showing various financial indicators and their values.

Consolidated Trading Of AMEX Listings table with columns for stock symbols and prices.

THE GREAT PERSONALITIES BY MARY BLUME. International Herald Tribune advertisement.

American Exchange Options table for the week ending June 26, 1981.

Chicago Exchange Options table for the week ending June 26, 1981.

AT&T Redefining U.S. Phone System

(Continued from Page 15) production of regulated equipment from the manufacture of unregulated products.

U.S. Newspapers See Future in Cable-TV (Continued from Page 15) and newspaper owners such as Multimedia and Harte-Hanks have been steadily widening their cable bases.

AT&T Redefining U.S. Phone System

Despite FCC decisions opening AT&T's historic monopoly over long-distance calling and facets of the equipment business to competition from companies as diverse and now as successful as MCI Communications and Rols.

High Rents in Hong Kong Anger Foreign Residents (Reuters) HONG KONG — The soaring cost of living accommodation, on top of astronomical office rents, is threatening to force many foreign executives and businessmen from Hong Kong.

Mozambique to Seek Offshore Oil Bidding (The Associated Press) MAPUTO, Mozambique — Mozambique plans to invite oil companies to bid for rights to prospect for oil offshore, and submit their proposals next year.

ESORTS & GUIDES advertisement for various international travel agencies.

CLASSIFIED ADVERTISEMENTS advertisement for various services and businesses.







# Borg Beats Gerulaitis at Wimbledon As McEnroe Gains; Jaeger Is Ousted

By Neil Arndur

WIMBLEDON, England — Tie-breaker victories helped Bjorn Borg achieve his 39th consecutive Wimbledon tennis triumph Saturday and also assured Mima Jausovec of a 6-4, 7-6 upset of Andrea Jaeger for a berth in the women's quarterfinals.

And while the crowd of 31,473 helped swell attendance at the All-England Club to a first-week record of 205,460, an unseeded 20-year-old American, Tim Mayotte, felled Borg, John McEnroe and Jimmy Connors in the last eight of the men's singles by stopping Sandy Mayer, 6-3, 6-4, 7-6.

McEnroe, the No. 2 seed, advanced by beating Stan Smith, a former Wimbledon champion, 7-5, 3-6, 6-1, 6-2.

"I feel comfortable with the people and the atmosphere," said Mayotte, the National Collegiate Athletic Association champion from Stanford who turned pro last week and is making his Wimbledon debut. "When you win a lot of matches in a row, you feel you can come through on the big points."

And Borg found himself locked in another challenging Center Court duel with his friend and long-time practice partner, Vitas Gerulaitis. The Swede took two tie-breaker playoffs in the 7-6, 7-5, 7-6 fourth-round match. In doing so, Borg demonstrated that he is sharpening his first serve and passing shots for a serious run at a sixth successive singles crown.

Borg's opponent in the quarterfinals will be Peter McNamara, the No. 12 seed, who also needed a pair of tie-breakers in stopping Jeff Borowiak of the United States. The scores were 7-6, 6-0, 7-6, and the unseeded Borowiak extended McNamara to 8-6 in the

third-set playoff before the Australian's punishing serve-and-volley skills prevailed.

Aside from the Jausovec-Jaeger match and Virginia Ruzici's continuing three-set sagas on the back courts, the women's draw was a lull before next week's predictable storms. The top four seeds — Chris Evert Lloyd, Hana Mandlikova, Tracy Austin and Martina Navratilova — lost a total of only 13 games among them, and it will be big news if a Lloyd-Austin, Navratilova-Mandlikova semifinal round is not achieved.

The second week for the men is certain to focus on a possible Borg-Connors semifinal and a Borg-McEnroe rematch of last year's five-set final — if Connors does not intervene along the way.

Like Borg, Connors has not lost a set in four matches. He dropped serve only once Saturday during a 6-1, 6-2, 6-4 victory over Wojtek Fibak of Poland.

Gerulaitis, the No. 16 seed, had lost 17 matches in a row to Borg. After a shaky, disappointing spring, Gerulaitis phoned Harry Hopman, the former Australian Davis Cup Captain and his one-time mentor, and flew him here from Florida to monitor his pre-Wimbledon training.

But the level that separates Borg from Gerulaitis is often more mental than physical. On the opening point of the first-set tie-breaker, for example, Gerulaitis served a double fault, a deficit from which he never recovered in the 7-4 playoff.

Borg says his philosophy in tie-breakers is "always play safe. Never take chances." Maybe some players take chances and go for shots, he says, but he prefers to play safe points, put more pressure on opponents and "make them play the point."

Borg also knows that he plays the big points better than Gerulaitis. "Maybe he gets nervous," Borg said. "He plays better when he's down. He goes for the shots. Those important points, I always win them."

A vivid example came when Gerulaitis served at 4-5 and attacked. An overhead put Borg on the defensive, but the smash was not deep enough, leaving Borg with an option to chase an aggressive passing shot.

Borg raced for the ball and delivered a forehand cross-court cruncher. Gerulaitis saved two match points from 4-6, but Borg, 6-6, again passing his friend off a first volley that they probably have played thousands of times in practice.

McEnroe's victory over Smith was less artistic. And McEnroe was the first to admit that all the components of his game are not yet in place to win the tournament. Fortunately, McEnroe's draw, minus any seeds, leaves him with Johan Kriek in the quarters, and then the winner of the Mayotte-Rod Frawley match in the semis.

"I feel I'm hitting the ball a little bit better and returning better," McEnroe said. "But I'm not serving well enough, and you can't win tournaments unless your serve is good."

**The Bouncing Ball**  
Ruzici's 3-6, 6-4, 6-3 victory over Kathy Jordan seemed tame alongside her comeback from two match points against Mimi Wiksted and one match point against Nina Bohm in earlier rounds.

Not so in the Jaeger-Jausovec match. The crowds were five deep around Court Three when Jaeger, the fifth seed, served at 4-5 in the opening set against her 24-year-old Yugoslav rival.

Jausovec saved one set point in the game but drove a backhand long to give Jausovec, the No. 10 seed, a second chance. In what proved to be an omen, Jaeger then overhit a two-banded backhand that bounced slightly higher — perhaps waist-high instead of knee-high — than she anticipated. On grass courts, no bounce is true enough for the two-handed player.

Jausovec has been as high as ninth in the women's computer rankings. Her number seems to fluctuate with her weight; the thinner she is, the better she moves and plays. At the moment, she is trim and eager.

Jaeger's normally impeccable backhand deserted her in the tie-breaker, on the same field court



Bjorn Borg en route to victory over Vitas Gerulaitis.

# Kuhn Withholding Tabulation of Votes For All-Star Game

By Dave Anderson

NEW YORK — Of all the all-star games, baseball's is the only one with traditional values. Pro football's all-star game, the Pro Bowl, is an afterthought that resembles touch tackle; pro basketball's dissolves into a one-on-one pageant; hockey's should be scored by figure-skating judges. But for nearly 50 years, the baseball all-star game has had a sense of meaningful theater — Carl Hubbell's five consecutive strikeouts, Ted Williams' game-winning homer, Willie Mays' perennial presence.

Because the fans have selected the starting lineup since 1970, baseball's all-star game is considered to be their game.

**Secret Ballots**  
Commissioner Bowie Kuhn often has referred to the all-star vote as "the largest nonpolitical election in the United States." He also has proclaimed that "the players make" the all-star game.

But ever since the baseball strike jeopardized the July 14 game in Cleveland, the commissioner has snubbed both the fans and the players.

Before the strike that began more than two weeks ago, the commissioner's office released the first returns of voting in each league. Since then, nothing. Day by day, nearly 2.7 million ballots have been counted and stored at Bradford Computers' orange-brick building in Teaneck, N.J., but strangely, the tabulation has remained top secret.

"We felt," Bob Wirtz of the commissioner's office said last week, "that with the strike, releasing the all-star voting would not be productive."

Typical. Here was the commissioner's office's only way of keeping baseball players named in headlines and on TV and radio during the strike — an apparent coup for any baseball promoter and publicist. But with the commissioner's approval, baseball's promoters and publicists chose to suppress the all-star voting returns — a snub of the fans whose game it's supposed to be, a snub of the players who "make" it.

"Kuhn and his lackeys, they think of themselves as baseball," said Marvin Miller, the players' leader. "They never informed the Players Association of their thinking on the all-star situation. It's a cozy little promotion that the commissioner and Gillette has."

**A Different Year**  
According to a source familiar with the all-star game planning, the commissioner's office also is considering another snub of the fans. If at least six million votes were not received — roughly half of the total for each of the last four years — all the fans' votes this year would be discarded and a panel of team managers and baseball executives would select the starting lineup.

Even though fewer than 2.7 million all-star votes have arrived so far, a total of six million by Wednesday's mailing deadline is possible. In other years, at least half the votes poured in in the last few days.

This year, of course, is a different year — a year when the commissioner's office chose not to promote its own promotion. As the host, the Cleveland Indians already had sold nearly 78,000 tickets for what would be a record all-star game crowd if the game is played. But the Indians' president, Gabe Paul, has been baffled by the suppression of the all-star returns.

"The more you put it in the pa-

per," Paul said, "the more people will vote."

Although the position-by-position returns have remained classified, George Brett of the Kansas City Royals is understood to be the leading individual vote-getter so far — a tribute to his .390 average last season rather than his struggling .323 average this season. Buddy Bell of the Texas Rangers was having the best season of any American League third baseman before the strike — nine homers, 42 runs batted in, .393 average. But as soon as most fans see Brett's familiar name on the ballot, they punch it automatically.

In one man's opinion, these players should be on the starting teams this year:

**National League** — Pete Rose, Phillies, first base; Manny Trillo, Phillies, second base; David Concepcion, Reds, shortstop; Mike Schmidt, Phillies, third base; Gary Carter, Expos, catcher; George Foster, Reds, outfielder; Andre Dawson, Expos, outfielder; Tim Lincecum, Expos, outfielder.

**American League** — Rod Carew, Angels, first base; Willie Randolph, Yankees, second base; Bill Almon, White Sox, shortstop; Buddy Bell, Rangers, third base; Carlton Fisk, White Sox, catcher; Dwight Evans, Red Sox, outfielder; Tony Armas, A's, outfielder; Ken Singleton, Orioles, outfielder.

For the all-star game in Cleveland, two weeks from Tuesday night as scheduled, the season apparently would have to be resumed no later than the previous week-end.

"To play the game on time, the strike probably would have to be over sometime this coming week," Miller said. "The players already have said across the bargaining table that they need two and a half days of workouts for each week that they miss."

**In Kuhn's Hands**

According to that formula, if the strike were to be settled late this week, the season would resume the following Friday.

Another all-star date is possible, July 30, if the season has resumed by then. That was established as the contingency date if the game were rained out both July 14 and July 15. Only one regular-season game is scheduled that day, Montreal at San Francisco; if the all-star game needed the date, that game would be moved.

"But only Bowie Kuhn could establish a July 30 date," Paul said. "The all-star game is in his hands."

Judging by the way the commissioner has handled this year's all-star game, it would be better off in the hands of the Venus de Milo.

# Strike 17 Days Old; No Talks Scheduled

NEW YORK — The baseball players' strike stretched through a 17th day Sunday with 14 more canceled games pushing the total since the walkout began to 211.

No negotiations were scheduled, and barring an immediate settlement the United States is certain to be without baseball for the July 4th weekend, traditionally one of the biggest gate attractions of the season.

In Philadelphia, the Major League Umpires Association was to go back to court Monday, seeking to reverse a federal judge's ruling to withhold an injunction that would have blocked management's collection of its \$50 million strike insurance. They argue that the payoff of \$100,000 per canceled game reduces management's incentive to end the strike.

# Why the Bets Are Going on Page

By Michael Katz

NEW YORK — Greg Page had what he called a funny feeling as he headed toward the hospital. His father, Albert, had been there 30 days, but it was only a week earlier that his mother had told him why: cancer.

Page had suspected. He had noticed that his father was losing weight. "What's up?" he had asked.

# Pryor Retains WBA Title With 2d-Round TKO

The Associated Press

LAS VEGAS — Aaron Pryor defeated Lennox Blackmore on a technical knockout Saturday, retaining his World Boxing Association junior welterweight title when the referee stopped the bout 58 seconds into the second round.

Pryor was all over Blackmore from the opening bell, dropping the challenger on the canvas twice in the opening round and once in the second before referee Mills Lane stepped in.

Pryor knocked Blackmore to the canvas with a left hook just seconds into the fight. The No. 1-ranked challenger got right back up — he took a mandatory eight-count — but was rocked by another left.

Another hard left hook on the ropes and a left-right combination put Blackmore down for the second time in the round, but he got up at the count of six and managed to finish the round.

Blackmore, who bled profusely from a cut over his right eye in the first round, got stung immediately after the second round began as Pryor was once again all over him. After Pryor backed the challenger against the ropes, two straight rights and another left put Blackmore down again.

# Pate Holds Lead Over Graham in Memphis Golf

United Press International

MEMPHIS — Jerry Pate shot a 6-under-par 66 Saturday to take a one-stroke lead over Peter Jacobson at the Memphis Golf Classic. Pate was 11-under-par 205 through three rounds over the 7,249-yard south course at Colonial Country Club.

Jacobson, who started the day at 2 under par, attacked the Colonial course and came up with an 8-under-par 64 to total 206.

Pate had three birdies on the front nine, and started the back nine with a pair of birdies on the par-5 10th hole and the par-4 11th hole. On the 218-yard par-3 12th hole he made a bogey, but came back with a 15-foot birdie putt at 17 and a nine-foot birdie putt on the final hole.

# Floyd Leads in Canada

KITCHENER, Ontario (UPI) — Ray Floyd unleashed a brilliant round of seven birdies and no bogeys to take a three-stroke lead over David Graham Saturday after 54 holes in the Canadian International Golf Classic.

Floyd, the second-leading PGA money-winner this season, carded a 7-under 65 for a three-round total of 206 and was 10-under for the tournament.

On Friday, Daniel Talbot of Quebec shot a hole-in-one on the 17th green to finish the day in a three-way tie with Floyd and Don Allman.

# Belgian Wins 4th Leg Of Tour de France

NARBONNE, France — Freddy Maertens of Belgium won the fourth stage of the Tour de France bicycle race Sunday, a 232-kilometer (145-mile) ride from Martignes. Gerrie Knetemann of the Netherlands kept the overall lead.

On Saturday, Johan Van De Velde, also Dutch, won the third stage by finishing the 254-kilometer (164-mile) leg from Nice to Martignes in six hours and 32.27 minutes.

# Why the Bets Are Going on Page

"I'll be all right," Albert Page replied. But on a Saturday night last month in Louisville, Ky., as he went to visit his father, Page knew he would not be all right, and he understood why his father had suddenly been giving him lessons in how to deal with boxing promoters.

That night Page became the head of the family. His father died at the age of 45.

"I'll never lose another fight, Dad," Page told him right before the end.

# Popular Prediction

Page has not lost in his two and a half years as a professional. He has won 16 fights, 15 by knockout, including his second-round victory over Alfredo Evangelista on the recent Larry Holmes-Leon Spinks card.

Holmes predicts Page will be the next heavyweight champion. Page agrees, as do many others.

More and more, Page, who is 22 years old and from Muhammad Ali's hometown, appears to be the main rival of Gerry Cooney as he appears to Holmes. Holmes, the World Boxing Council champion, has said he wants to take care of Cooney before retiring in the next year. But he does not plan to wait around for Page. He says that Page, once the country's top amateur, is "a year away."

"It's time for the older crop to get out of the harvest," Page said. "We've come along step by step, and we've run out of steps." But he is in no rush. He does not want "to make the same mistake Spinks did — going for the title before I'm ready."

# Too Close for Comfort

He might be closer than he wants to be. The World Boxing Association executive board plans to strip Mike Weaver of the title on Tuesday for agreeing to fight Cooney, the No. 1 contender, instead of James Tillis, the No. 3.

The WBA may order a fight for the vacant title between Tillis and Page, who is ranked fourth (Spinks was No. 2 before being knocked out by Holmes). Page would accept a Tillis fight, but he knows that virtually everyone in boxing considers Holmes the champion.

Holmes is not Page's target. Cooney is. There was a time when Page's words sounded as if they had been written by Ali, the three-time champion, and he even cloaked in the ring like him. But Page has toned down the rhetoric. He used to call Cooney a one-armed fighter. Now he says he cannot comment "on the grounds I might incriminate myself."

"Cooney and I are going to be a major, major fight," said Butch Lewis, the promoter who handled Page's fights until Albert Page signed a three-bout deal with Don King last month. "But Cooney's people don't know what Gerry can do. They know he can punch. But they don't know what he can do when he's in there with a young buck who can fight back."

# 'Live Bodies'

Page, by contrast, has been fighting what the regulars in the gym call "live bodies." He has outpointed George Chaplin, the defensive specialist. When Larry Alexander, a dangerous club fighter

# Shergar Breezes In Irish Sweeps

DUBLIN — Shergar, owned by the Aga Khan and ridden by Lester Piggott, won the \$234,150 Irish Sweeps Derby at the Curragh Saturday by 4½ lengths over Cut Above. Dance Bid was third.

Shergar, whose starting odds of 1-3 were the shortest in the race's history, had romped to a 10-length victory in the June 3 Epsom Derby. Piggott held a comfortable lead going into the stretch of Saturday's 1½-mile race and hardly used his whip as Shergar drew steadily clear of the field and won easily.

In Toronto, Regent Miss, a 171-1 shot, scored a stunning 1½-length victory at Woodbine Saturday, winning the \$137,520 Canadian Oaks. The premier race in Canada for 3-year-old fillies. The winner returned \$345.80, \$97.50 and \$27.30 for \$2 wagered. Holiday Regent was second and Solar Command, an 82-1 shot, was third.

# Why the Bets Are Going on Page

nn a winning streak, thumbed his eye in the first round and Page could not see from long range, where he likes to fight, he moved inside and battered Alexander.

Page took the best shots of Stan Ward, a slugger from California, and stopped him April 11. It was the last fight his father saw. Then Page whipped Marty Monroe, a legitimate top-10 contender who had to quit after five rounds.

And the way he stopped Evangelista was impressive. He set him up, taking a couple of light left hooks, then made him miss with a hook and, on his toes, moving backward, countered with a right that floored Evangelista.

He has shown speed, quickness, courage, punching power, especially with his right, and the ability to take a punch. He moves with the rhythm of a natural boxer. There is still some polishing to be done, but the only unanswered question seems to be whether he can go 15 rounds. He is fat and has a hunger for ice cream, fast foods and sodas.

Against Evangelista, he weighed 235 pounds, nine more than what he was for Monroe.

"I come from a big family," he said. "My father was a big man. I have an uncle 5 foot 7 who weighs 310 pounds, another who's 6-4 and 250. But my mind is great and it isn't as if I can't get my punches off. Who can move like me?"

His mother, Alice, is now in charge of Page's career. He has two fights left with King, but he says that promoter Lewis is like family. And family is what counts with him. It was his father who laced on his first pair of gloves, when he was 5, to box with his brother Dennis, then 7 and now a light-heavyweight prospect.

"It was punishment any time I was hard-headed about anything," Page said. "Dennis used to beat me blue. I never liked fighting. In school, I used to talk my way out of fights."

When he was 14 and thinking of a basketball career, he was taken by his father to LeRoy Edmondson's gym in Louisville. "Make him a fighter," Albert Page told Edmondson.

He has, and the front of Page's T-shirt says, "Future World Champion." On the back is, "A Tribute to Dad."

# Byers Surprises Overt in 1,500 at Oslo

OSLO — Tom Byers, a 25-year-old American, upset the 1,500-meter world record holder, Steve Overtt, in the Bissett Games here after Overtt made what he said later was "a big mistake."

Byers, an Ohio State graduate who lives in Eugene, Ore., stunned the strong international field to win in 3 minutes 39.01 seconds, well outside Overtt's world mark of 3:31.36. Steve Scott of the United States was third (3:39.58) and Jose Gonzalez of Spain fourth (3:39.59).

Overtt, the Briton who was the 800-meter gold and 1,500-meter silver medalist at Moscow, said that "we were all totally misled by the official calling out the lap times. He was so far ahead that at one time I thought he'd dropped out."

"The official convinced us we were running a fast time and we believed him. He called out 1:51

# Why the Bets Are Going on Page

Byers' leading time at the 800-meter mark, which was on world-record schedule) and I wondered why it was so easy. I thought, 'Either that guy is running so fast that he is going to die, or I'm going to get beaten.'

"We were so hyped up for a fast time that we lost all perspective."

Byers nearly stumbled and fell from exhaustion as he crossed the finish line, and it appeared to take some time before he realized what he had just done. After a victory lap, however, he had gathered himself: "It's a dream, I can't believe it. As long as I live it will never happen again."

Friday night's defeat was only the third loss for Overtt at 1,500 meters or a mile in four years. Only Sebastian Coe — in the 1980 Olympic final — and Scott have beaten him.



Tom Byers (37) raises his arms in victory as he crosses the finish line to win the 1,500-meter race in Oslo's Bissett Games ahead of Steve Overtt (5), Steve Scott (32) and Jose Gonzalez.

# Buchholz Told McEnroe: 'Careful, They're Upset'

WIMBLEDON, England — The All-England Club was prepared to default John McEnroe from the Wimbledon tennis championships last week for an opening-day outburst during which he broke his racket in half, called a linesman "an incompetent fool" and swore at the tournament referee.

Earl (Butch) Buchholz, the executive director of the Association of Tennis Professionals, said Saturday that the tournament rules committee opted for an immediate \$1,500 fine and threat of a future suspension and \$10,000 fine in order to conform to current Grand Prix rules for code-of-conduct violations.

"They were prepared to throw the book at John," Buchholz said. "The rules were not strong enough to take care of what Wimbledon wanted to accomplish. They would have put on much more severe penalties if the rules could have allowed it."

Last Tuesday, the day after McEnroe's tempest tantrums, Buchholz said he was informed that members of the club, including chairman Sir Kevin Barnett, were very upset and that "Wimbledon was going to be forced to do something."

After meeting with some club officials, Buchholz said: "I told John, 'Be careful, they're really upset.'"

# McEnroe Calls Threats 'Malarkey'

Buchholz said the code of conduct would be toughened next year, a move endorsed Saturday by Fred Hoyles, the tournament referee. Current rules provide a warning, a loss of two penalty points and loss of game before a player is defaulted for conduct violations. The same steps also exist for delay-of-game violations; thus, a player conceivably could commit eight violations — four for conduct and four for delay of game — before actually being defaulted from a match.

Earlier in the week, McEnroe termed the tournament committee's warning of a suspension and further fine as "malarkey." His father, John P. McEnroe Sr., a New York lawyer, branded the committee's threats as "outrageous."

Many Grand Prix tournament directors feel they cannot default top players and still survive financially. So rules are bent by umpires, giving the stars considerably more leeway in their behavior.

Said Buchholz: "Everyone is scared a player is going to be defaulted on national television with fans in the stands, and then you have no match."

"Everyone's afraid of these [top players]," Tom Gullikson said after his opening-day episode with McEnroe. "All it would take is one default to put them in line. They're abusing the rules. If it was the 120th player in the world they would have defaulted him."

# The Tribulations of Summer Football

NEW YORK — There's trouble in the professional summer football organization, the American Football Association.

One of its 10 teams, the Orlando Americans, has dismissed one of its linemen after discovering he was an impostor.

Another of the teams, the Carolina Chargers of Charlotte, has virtually disintegrated in a fit of tempers over low pay and a lack of fans.

# Transactions

**BASEBALL**  
New York Yankees — Signed John McNamee, minor league, through the 1982 season.  
PITTSBURGH — Signed Larry Maney, forward.

**BASKETBALL**  
National Basketball Association  
INDIANA — Signed Al Laffie, guard; and Purvis Miller, forward.  
PHOENIX — Signed Larry Maney, forward.

**FOOTBALL**  
National Football League  
BUFFALO — Signed Byron Franklin, wide receiver, in a series of three one-year contracts.  
PITTSBURGH — Signed Donald Curless, linebacker.

**HOCKEY**  
National Hockey League  
NEW YORK ISLANDERS — Expanded the contract of Al Arbour, head coach, to a lifetime agreement that will make him vice president in charge of team development upon his retirement.

**Always Suspicious**  
"This was something I looked at and never had the shot or opportunity," Robert Johnson said. "And here was my chance to do it. Here's a guy that I know has the same name and, basically, the same size and ..."



Language Out in Left Field

By William Safire

NEW YORK — When a professor of atmospheric science predicted that recent changes in the sun's activity foretold a dry spell of several years in the Northeast, another expert, Robert Harnack, a meteorologist at Rutgers, called that forecast "completely out of left field."



Safire

Where is "left field"? How did that area on the baseball field become the metaphorical epitome of far-outness? To come "from out of left field" is to be rooted in the ridiculous, crack-brained, far-fetched; to "be out in left field" is, according to American Speech magazine in 1961, to be "disoriented, out of contact with reality."

Members of the Abner Doubleday Lodge of the Lesticographic Irregulars lobbied in these ideas: • The U.S. ambassador to the European Office of the United Nations, Gerald Helman, writes from Geneva: "Right field was thought of as the most difficult to play because it was the 'sun field,' and required the fielder to have a strong arm for the long throw to third. As a consequence, the good hitting, poor-fielding players were put in left."

• On the other hand: "The power of a batter in baseball or softball is to his/her 'right' or opposite field," posits Thomas Carter of Dayton. "Since some 90 percent of the population is right-handed, this means that many more long hits can be expected to left field. Therefore, the leftfielder will usually play farther back than the other outfielders. This then leads to the linking of 'left field' to a person, thing, or idea that is far-out."

• "Left field is about as far as one can get from the desirable seats," suggests Morton Brodsky of Lancaster, Pa. "The home team's bench is generally, if not always, along the first-base line. This makes the preference for home-town fans (1) from home plate to first base, (2) from home plate to third base, (3) right field, (4) left field. Of course, modern stadiums have seating all the way around, but I think that 'out in left field' originated in the days when there

was nothing out there but a fence." • "Imagine some right-hander of yesterday (a preponderance of pioneer pitchers were right-handed)," says Jerry Oster of New York City. "With a big sidearm delivery such that the ball, especially to a right-handed batter, seemed to come out of left field."

• John Algeo, editor of American Speech magazine, assumed it had at least a pseudo-baseball origin and appeared early in psychiatric slang: "The explanation that the left field was far off from the home base overlooks the fact that the right field is equally far from the home base and the center field is even farther. Why then left field is chosen over right field or center field?"

Algeo took a hefty cut: "My guess (and it is no more than a guess) is that the expression is a metaphor referring to a baseball field, but was never actually a baseball term. Probably it was coined by someone who watched baseball but was not a player."

"To be in the outfield is to be far out. However, the expression out in the outfield is unemphatic, redundant and too general; it doesn't make a snappy remark. Center and right both have highly positive connotations that conflict with the sense of isolation that the word was wanted. Center suggests all the virtues of moderation and the golden mean. Right suggests correctness, dexterity and so on (we don't have to go into the political associations). Left is certainly the best word for associations — lefties are a minority, they are sinister (etymologically at least) and (at least by pun) they get left behind."

Algeo concurs with Carter's observation that balls hit to left field are usually hit harder, causing the fielder to play deeper: "Since the leftfielder is farther removed from the center of action in the infield, his position becomes a metaphor for isolation."

• Mrs. Melvin Gollub of Dunkirk, Md., disagrees with everything; it is her experience that "one rarely hits to left field. The outfielder has little to do; hence, he is lonely. My son sends me out to left field so I can't get into too much trouble." Such an idiosyncratic view files in the face of all statistics about where most hard-hit balls go, and is truly out of left field.

New York Times Service

Satire from Aesop to Perelman

By Herbert Mitgang



EW YORK — Satire is what closes Saturday night," George S. Kaufman said about the theater in the 1930s, a wisecrack that hasn't quite held up. But the line makes you think twice about the aims of that most useful weapon of words, satire.

Every form of satire, from the barb to the bombshell, is having a long literary run at the New York Public Library. Featuring a strong cast of satirists from Aesop to S.J. Perelman, a show called "Mirror the World: A Survey of Satire," has just opened in the Berg Collection and will be on view for seven months. The show highlights essays, poems, parodies and drawings of 80 satirists from the early Greek and Roman poets through the English classicists and Victorian novelists to the 20th century. "I assembled this exhibition to console myself," said Lola Slatkoff, curator of the Berg Collection. "I wanted to show that there have always been writers of great genius who see our follies with crystal clarity and want to show us how to set things straight."

Does satire really hold up a mirror to mankind? Jonathan Swift (1677-1745) provided this answer in 1754: "Satire is a sort of glass, wherein beholders do generally discover everybody's face but their own." This satirical stuff has been going on at least since Aesop, who is traditionally said to have lived in the sixth-century B.C., but whose satires of human foibles in animal form probably go back to Egypt in the 14th century B.C.

You could also browse for an answer in "Horace (65-8 B.C.)." A satire is a tart and carrying kind of verse," and not too far off. Or you could pick up a phrase from Juvenal (A.D. 60-140): "Difficile est satiram non scribere" (It is difficult not to write satire).

Every age has its own need for satirists, said Slatkoff, and quick as a metaphor she came up with a suitable line from James Sutherland, a modern British writer: "The motives that lead to satire are varied, but there is one motive that may almost be called a constant — the satirist is acutely aware of a man who is abnormally sensitive to the gap between what might be and what is."

The most easily identifiable forms of satire — in verse or prose — are the epigram, the lampoon, the parody, the exaggeration, the imitation. Satirists often imitated other satirists, not necessarily the sincerest form of flattery. Jonathan Swift, who used pen and platform in his Dublin deanery, reveals his intent in verse:

Yet malice never was his aim: He lashed the vice but spared the name. No individual could resent. Where whippersnappers were meant. His satire points at no defect. His satire points at no defect. For he observed that senseless tribe Who call it humor when they gibe.

Alexander Pope (1688-1744) came before the public innocently enough with his "Pops," but then his teeth, or at least his claws, began to show in "The Essay on Criticism." In "The Rape of the Lock" while the claws are scarcely visible, there is the descriptive card in the case notes, "the fascinating and dangerous play of a quite remarkable kitten." From the pen of Pope:

Men, some to Business, some to Pleasure take. But Woman is, at heart, a Rake. Men, some to Quiet, some to Public Strife. But every Lady would be Queen for Life.

Samuel Johnson (1709-84) brought his own powerful experiences to life with observations about poverty and the class system. In "London," he wrote:

All crimes are safe, but hated poverty. This, only this, the rigid law pursues. This, only this, provokes the starving muse. The sober trader at a tatter'd cloak. Wakes from his dream, and labours for a joke.

George Bernard Shaw (1856-1950) had a good deal to say about social and political outrages in his plays, but his prefaces say what his characters do not say quite so bluntly. He calls the preface to "Major Barbara" the "Gospel of St. Andrew Undershaft," and it includes such comments as this:

"In the millionaire Undershaft I have represented a man who has become intellectually and spiritually as well as practically conscious of the irresistible natural truth which we all abhor and repudiate — to wit, that the greatest of our evils, and the worst of our crimes, is poverty, and that our first duty, to be sacrificed if not to be poor. . . . There exists a police force whose real business is to force the poor man to see his children starve whilst the money that might feed and clothe them goes to overfed pet dogs."

Evelyn Waugh (1903-66), in "Scott-King's Modern Europe," parodies the old school of English public schools but is, in every respect, a good deal more than a schoolboy. "Granchester is not the most illustrious of English public schools but it is, by every respect, a good deal more than a school. It is a place where a young man, in general, declares without apology: 'I was at Granchester' — unlike the sons of lesser places who are apt to say: 'As a matter of fact I was at a place called . . . You see at the time my father was . . .'"

Passing along the cases, we find "The Unknown Citizen" by W.H. Auden (1907-73)

and the wartime poem "Heydrich" by A.P. Herbert (1890-1971).

The Auden contains these classic lines: He was found by the Bureau of Statistics to be One against whom there was no official complaint. And all the reports on his conduct agree That, in the modern sense of an old-fashioned word, he was a saint. For in everything he did he served the Greater Community. Was he free? Was he happy? The question is absurd: Had anything been wrong, we should certainly have heard.

And A.P. Herbert proves you can satirize even one of Hitler's henchmen: I am so sorry Heydrich has been shot. I liked the little reptile quite a lot. No, 'like' is not the word. I loved the swine — As I must love all enemies of mine. Don't shoot beloved Heydrich through the head. Give him a chance, old chap. Shoot low instead.

The American poet Ogden Nash (1902-71) has some fun in "Four Prominent So-and-So's," which begins: I'm an autocratic figure in these democratic states, I'm a dandy demonstration of hereditary traits. My position in the structure of society I owe To the qualities my parents bequeathed me long ago.

The last word should go to S.J. Perelman (1904-79), whose manuscripts were recently acquired by the Berg Collection and are being exhibited for the first time in "Mirror the World." Here's the opening of "Revelation in the Desert": "The doors of the 'D' train slid shut, and as I dropped into a seat and, exhaling, looked up across the aisle, the whole aviary in my head burst into song. She was a living doll and no mistake — the blue-black bang, the wise cheekbones, olive-fleshed, that betrayed the Cherokee strain on her Mid-western estate, and the mouth whose only fault, in the novelist's carping phrase, was that the lower lip was a trifle too voluptuous. . . . Suddenly, a pair of lynch eyes, gray and exquisitely slanting, lifted from the page and fixed on me, a long, intent scrutiny that set my knees trembling like jellied consommé. . . . Before I could act, the issue decided itself. The train could act, the issue decided itself. The train ground to a stop in the 34th Street station, and as the arse and the stowed book in her hand, I saw that it was Ovid's 'Art of Love.'"

Two wives of former officials at the Canadian Embassy in Tehran have been honored by the Canadian government for the three months they spent caring for six U.S. diplomats who had escaped the Nov. 4, 1979, seizure of the U.S. Embassy and taken refuge in the Canadian's homes. Patricia Taylor, wife of Kenneth Taylor, the former Canadian ambassador in Tehran and now consul general in New York, and Zena Sheardown, wife of John Sheardown, then the immigration officer at the embassy in Tehran, were given the Order of Canada, the country's highest civilian award. A year ago, Taylor, Sheardown and six other men received the Order of Canada for their part in helping the Americans escape from Tehran in January, 1980, just before the Sheardown mission was closed. Canadian officials went to work every day, "the wives had a 24-hour responsibility" while the Americans were in hiding.

A probate judge in Houston has ruled that actress Terry Moore, who claims she secretly married Howard Hughes and bore him a daughter who later died, is not entitled to inherit part of the billionaire's estate. Judge Pat Gregory said Miss Moore, 52, would be excluded from a trial to determine the legal heir to Hughes' vast fortune. Miss Moore's attorney, Art Lee, said an appeal probably would be filed. "The motion to exclude the actress — who was nominated for an Oscar for her role in 'Come Back, Little Sheba' — was known in her heyday as 'the eternal starlet'" — was requested by Wayne Fisher, who represents the estate of Hugh Hefner, the publisher of Playboy magazine. Fisher said the children of the wife of Rupert Hughes, Howard Hughes' uncle, include "Mighty Joe Young" and "King of the Khyber Rifles," said she had married Hughes in 1949 on a ship sailing in international waters. She said the marriage had been kept secret in order to protect her movie image. In the early 1950s, she said, she bore a daughter who died of an infection a short time later. She has been married and divorced at least two other times. Hughes died in 1976.

Mark Rudd, a leader of the student revolt at New York's Columbia University in the late 1960s, has turned up in Albuquerque, N.M., as a teacher at the Technical-Vocational Institute. Rudd, 34, teaches English, mathematics and reading at the institute, where he avoids the sort of publicity that kept him on front pages in his rebellious years. When he was chairman of the Students for a Democratic Society at Columbia, Rudd led the 1968 takeover of Hamilton Hall at the university. He was charged with criminal trespass, criminal solicitation, unlawful assembly and obstructing government administration. Since his misdemeanor charges were lodged against him in 1969 after his arrest in Chicago. After posting bond, he dropped out of sight and did not turn up again in public until 1977, when he surrendered to authorities, first in New York and then in Chicago. He was fined \$2,000 and put on probation for two years. As a teacher, he earns \$15,280 a year.

Bangkok's epicurean scrumptious has struck again, nothing his 40th trip behind bars after refusing to pay for a lavish meal. The English-language Bangkok Post reported that Pongpana Krasank returned to the city's fashionable restaurant circuit after an eight-month absence to down a \$33 Japanese meal at a hotel restaurant and then po-

Soviet dissident Vladimir K. Bukovsky and U.S. civil-rights leader Bayard Rustin will share the 1981 human-rights award of the American Federation of Teachers. Bukovsky, a writer, spent more than 11 years in confinement in Soviet prisons in 1976 and now lives in England, where he is studying at Cambridge University. Rustin, now board chairman of the A. Philip Randolph Institute, was deputy director of the 1963 civil-rights march on Washington. The federation, which announced the recipients in Washington, said the award would be presented July 7 during the group's convention in Detroit.

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